

# INNOVATE LOGISTICS

SBS GROUP INTEGRATED REPORT 2025



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## Topics in the Integrated Report

- Changes to the Logistics Market  
Flexible responses and growth strategy implemented in anticipation of short-, medium- and long-term changes in the domestic and overseas logistics markets
- M&A and Group Synergy  
M&A activities as the core of our growth strategy, and the processes to maximize those effects
- 3PL  
Strengthening the expanding services to comprehensively handle and optimize corporate logistics operations
- Logistics Facility Development  
Systematic expansion of floor space as a core of increasing logistics infrastructure and the foundation of 3PL
- Technology  
Strategically utilizing LT\* and IT to link value creation with improved competitiveness\* Logistics Technology
- Quality and Safety  
Ensuring the quality and safety of transportation and service that form the basis of our business activities
- Human Resources  
Securing and developing a diverse range of human resources supporting the growth of the SBS Group, and by extension the development of Japanese logistics
- Working Styles and Productivity  
Developing environments providing new working styles and pursuing ongoing improvements to business productivity
- Energy and Climate Change  
Strategically addressing the energy demand-supply gap and climate change risks from a long-term perspective
- Crisis Management  
Enhanced preparedness for the management of crises, including natural and human-made disasters and changes in the international situation
- Relationship with Society  
Coexistence and collaboration rooted in dialogue with a diverse range of stakeholders
- Governance  
Improving and evolving corporate governance systems that represent the basis of value creation

## About This Report

**Editorial Policy**  
The SBS Group publishes an integrated report each year for stakeholders interested in the Group's creation of value in the short-, mid- and long-term. The report is structured around our management philosophy and management vision, reporting on the progress of our business activities and sustainability management initiatives. To ensure the accuracy and reliability of information, the report is designed to be simple and clear so that it can be easily read even without prior knowledge of the SBS Group. On the SBS Group website, we disclose comprehensive IR information and general company information in addition to sustainability information not listed in this report.  
<https://www.sbs-group.co.jp>

**Reporting Process**  
This report is structured around the topics that have a significant impact on the SBS Group's ability to create value in the short-, mid- and long-term. The identification and weighting of these topics is conducted carefully in light of environmental changes as the starting point in the annual reporting cycle, and serves as the basis for the information reported. After being combined organically with related information, the prepared report undergoes review by management and is then provided in printed and electronic form.

**Reporting Scope**  
12 Domestic Subsidiaries  
SBS Toshiba Logistics Corporation / SBS Ricoh Logistics System Co., Ltd. / SBS Logicom Co., Ltd. / SBS Flec Co., Ltd. / SBS Sokuhai Support Co., Ltd. / SBS Zentsu Co., Ltd. / SBS NSK LOGISTICS Co., Ltd. / SBS Furukawa Logistics Corp. / SBS Staff Co., Ltd. / SBS Finance Co., Ltd. / Marketing Partner, Inc. / SBS Asset Management Co., Ltd.

Public Interest Incorporated Foundation  
SBS Kamata Foundation

**Reporting Period**  
Fiscal 2024 (January to December 2024)



# CONTENTS

SBS GROUP  
INTEGRATED  
REPORT  
2025



Transporting all manner of things  
safely, securely, in an optimal  
environment, and by more  
sustainable means.

Major Business Resources \*As of January 1, 2025

Number of Group employees

**23,513**

10,712 full-time employees  
12,801 fixed-term employees

Operating floor area at warehouses

Approx. **1,085,000** tsubo  
(approx. 3,282,125 square meters)

Including approx. 260,000 tsubo (approx.  
859,000 square meters) of warehouses that  
were developed in-house

Number of business sites

**772** sites

Japan: 716 sites, Overseas: 56 sites

Number of vehicles owned

**6,726** vehicles

All are eco-friendly vehicles.

Consolidated Subsidiaries (41 Companies) \*As of January 1, 2025

SBS Toshiba Logistics Corporation

SBS Logistar Corporation / Toshiba Logistics (Shanghai) Co., Ltd.  
Toshiba Logistics (Hangzhou) Co., Ltd. / Toshiba Logistics (Dalian) Co., Ltd.  
Toshiba Logistics Hong Kong Co.,Ltd. / Toshiba Logistics (Singapore) Pte. Ltd.  
Toshiba Logistics (Philippines) Corporation /  
TL Forwarding Service (Philippines) Corporation  
Toshiba Logistics (Thailand) Co., Ltd. / TL Service (Thailand) Co., Ltd.  
Toshiba Logistics Malaysia Sdn. Bhd. / Toshiba Logistics Vietnam Co., Ltd.  
Toshiba Logistics India Private Limited / Toshiba Logistics America, Inc.  
Toshiba Logistics Europe GmbH.

SBS Ricoh Logistics System Co., Ltd.

SBS San-Ai Logistics co., Ltd. / RICOH LOGISTICS CORPORATION  
Ricoth International Freight Forwarding (Shenzhen) Co., Ltd. /  
SBS Logistics (Thailand) Co., Ltd.  
SBS Vietnam Co., Ltd. / Jass Co., Ltd. / SBS Global Network Co., Ltd.

SBS Logicom Co., Ltd.

SBS Freight Service Co., Ltd. / SBS Logicom Kanto Co., Ltd. /  
K.U.K. LINE Co., Ltd.

SBS Flec Co., Ltd.

SBS Flecnet Co., Ltd. / Hinomaru Kyuso K.K.

SBS Sokuhai Support Co., Ltd.

SBS Zentsu Co., Ltd.

SBS NSK LOGISTICS Co., Ltd.

SBS Furukawa Logistics Corp.

SBS Staff Co., Ltd.

SBS Finance Co., Ltd.

Marketing Partner, Inc.

SBS Asset Management Co., Ltd.

LMAX Co., Ltd.

SBS Group Business

General Logistics  
Business

Truck Transportation /  
Rail-based Transportation  
Low Temperature Logistics /  
Logistics Center Operation  
International Logistics /  
Processing in Logistics  
Same-Day Delivery for Corporations  
Home Delivery (for Individuals)  
Company Relocation /  
Individual Relocation  
On-site Logistics / 3PL Consulting

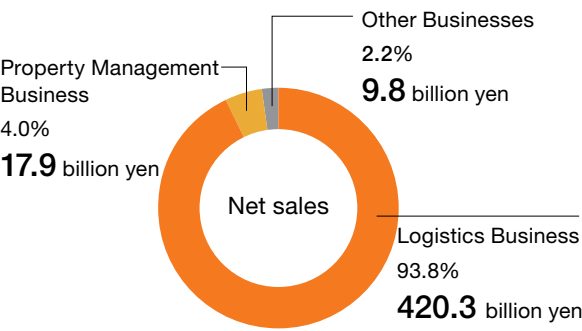
Property Management  
Business

Rent Business  
Development Business

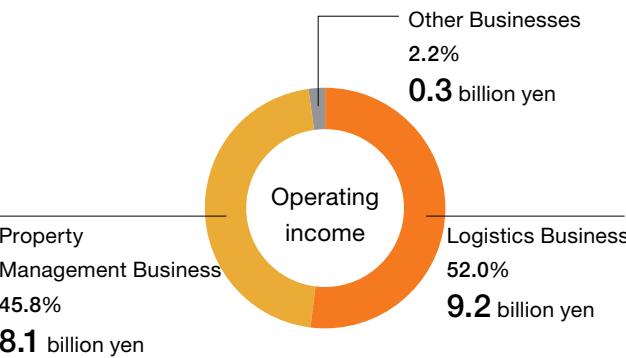
Logistics Support  
Business

Marketing Business  
Pet Wellness Business  
Insurance and Leasing  
Environmental Business  
Personnel Support

Composition by Segment (Results for the Fiscal Year Ended December 31, 2024)

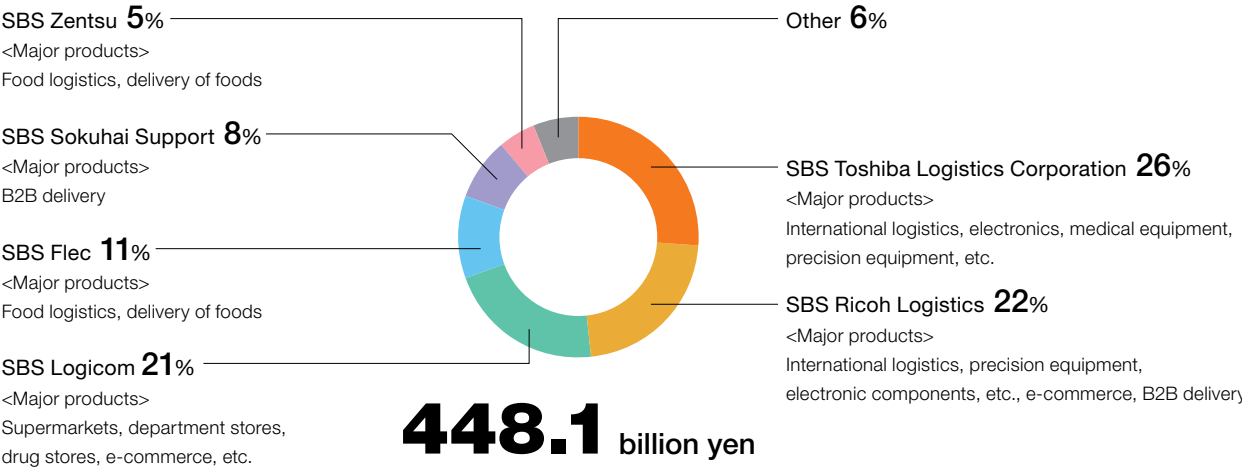


**448.1** billion yen



**17.7** billion yen

Composition of Net Sales by Company (Results for the Fiscal Year Ended December 31, 2024)



**448.1** billion yen

\*Including the results of their subsidiaries



# For Your Dreams.

The SBS Group has continued to pursue its dreams. Having sustainably grown to what it is today after starting out with a single truck over three decades ago, we have steadily added new members to the Group through strategic acquisitions, and worked with professionals at many logistics companies that share our dream. In doing so, we have honed our unique expertise and the diversity of our services. As an unmatched logistics mega-venture that never forgets its founding aspirations, the SBS Group will continue to evolve.

## PHILOSOPHY & VISION

A Mega Venture Growing on the Strength of Logistics × IT  
Aiming to solidify our top-tier position in the industry and respond to all manner of customer needs while becoming a trusted company that coexists with society

















## VISION

- 1. Contributing to customer value creation through the provision of services
- 2. Emphasizing ESG as a provider of social infrastructure to contribute to all stakeholders
- 3. Ongoing and performance-linked return of profits

## PHILOSOPHY

- We provide services to achieve client satisfaction, to meet shareholders' expectations, and to be a company caring of its employees.
- Long-term prosperity is rooted in paying the necessary attention to people and in the enthusiasm of our employees.
- Social responsibility is essential to corporate growth.  
Harmony within the community, efforts to make those around us happy, and contribution to society far and wide, are crucial.

## Highlights of our Management Philosophy Implementation (Fiscal 2024)

Customers		Sustainable Development
Total Distance Driven	131,058,612.609 km	               
Consolidated Net Sales	448.1 billion yen	
Shareholders		
ROE (Return on Equity)	11.5 %	
ROA (Return on Assets)	6.0 %	
Dividend per Share	70 yen	
Employees		
Training Conducted	61 Subjects	
Actual Training Participants	12,975	
Annual Paid Leave Acquisition Rate *Six major companies	55.3 %	
Society and the Environment		
Number of Business Sites with G-Mark Certification (Certification Rate)	211 business sites (91.9%)	
Logistics Research Grants	5	
Scholarships for Students Receiving Social Care	55	
Investment in the Environment	4,227 million yen	
Environmental Efficiency (CO <sub>2</sub> emissions per unit of sales)	24.237 t (14.14% improvement over the past three years)	
Modal Shift Transportation Volume	383,840 t	
Total Renewable Energy Generating Capacity	16,609 kWh	





Feb

**Completion of the Noda Seto Logistics Center Building A, the Group's largest logistics site**

The first multi-tenant warehouse jointly operated by SBS Group companies, this logistics center is the Group's largest logistics site with four floors above ground and a total floor area of 50,332 tsubo (166,386 square meters). It enables us to cater to every need of our customers. One of the building's floors (approx. 10,000 tsubo/approx. 3,025 square meters) is EC Noda Seto Logistics Center, the first strategic base of the Group's EC Platform Business. It is a shared-use logistic center where e-commerce (EC) business operators can use shared logistics robots and material handling equipment.\*

\*Material handling equipment is the collective term for equipment that is used to streamline and automate logistics operations.



Feb - Apr

**Linkage to Shopify and eforce**

The SBS Group is advancing the linkage of EC Logistics Omakase-Kun, an EC platform service it provides, to external services to improve its convenience. In February, the Group implemented the linkage of the system to Shopify to contribute to the expansion of the business of the EC business operators using the Shopify platform. In April, the Group also linked the system to the eforce integrated commerce platform to improve the operating efficiency of customers in their EC development efforts and increase their sales. Both are designed to be usable at the EC Noda Seto Logistics Center, a large-scale strategic EC logistics base that began operating in February.

EC物流お任せくん

From Mar

**Trial operation of EVs converted from used trucks**

The SBS Group aims to replace roughly 1,000 vehicles with EV equivalent by 2030, focusing on light and medium-sized vehicles. As a part of this initiative, the Group is moving ahead with the EV conversion of diesel trucks which are owned and have been used for a long time by SBS Zentsu. Collaborating with IAT Co., Ltd. and YAMATO Mobility & Mfg. Co., Ltd., the Group began verification in March 2024 using used Isuzu Elf 2-ton trucks and Mitsubishi Fuso Canter 1.5-ton trucks. This is the first initiative in Japan to convert diesel-powered light trucks into EVs with mass production in mind. It was confirmed their performance is equivalent to new EV trucks in terms of matters such as distance traveled per charge. We are certain that it will be possible to return the trucks to frontline operations quickly at low cost.



May

**Reception of Platinum certification for FY2024 under the Outstanding Logistics Site Improvement Recognition System**

SBS Toshiba Logistics received Platinum certification, the highest rating of Zenininhon Butsuryu Kaizen Jirei Taikai 2024 (the All-Japan Logistics Improvement Case Conference 2024) which was hosted by the Japan Institute of Logistics Systems (JILS). (1) Based on the Design for Logistics (DFL) approach, we worked to replace the previous boxes with compact, all-cardboard boxes. As a result, we reduced packaging material costs by 65%, work hours by 30%, plastics by 100%, and CO<sub>2</sub> emissions by 25%. (2) In response to customers' EC growth plans, we created different sizes of dedicated carts for the small item area based on product sizes and developed a system that makes it possible to specify the right sizes of carts. We achieved the target productivity through trial and error done by people working on site.



Jul

**NSK Logistics joins the SBS Group**

On July 1, SBS Holdings announced that it acquired 66.61% of the common shares of NSK Logistics Co., Ltd., a logistics subsidiary of NSK Ltd. The procedures were completed on October 1, and the company joined the Group with a new name, SBS NSK Logistics Co., Ltd. Masahiko Kamata, the representative of the Group, stated that going forward, the Group will maximize the synergy of Group companies including SBS NSK Logistics and further accelerate initiatives to solve the 2024 problem faced by the logistics industry as a whole and maintain a sustainable logistics network.



Aug

**Opening of Logistics Center Yokohama Fukuura**

SBS Ricoh Logistics began to operate this facility in August. A large facility with a total area exceeding 17,000 tsubo (56,198 square meters), Logistics Center Yokohama Fukuura is easy to access and optimal for handling cargo such as products made in Japan and cargo for import and export. For operations within the center, we introduced forklifts that can be used for high-rise racks and automatic guided vehicles (AGVs) that are able to perform uncrewed cargo transportation tasks via system input. We will combine them with a trunk line network linking our sites across Japan and distribution processing techniques, including product inspections, kitting, and setup, for the safe, reliable, and efficient management of warehouses.



From Sep

**Transportation of disaster waste generated due to the Noto Peninsula Earthquake**

On September 27, SBS Logicom began transporting disaster waste from the Noto Peninsula Earthquake. Disaster waste from demolitions in Wajima-shi and Suzu-shi in Ishikawa Prefecture is transported to a freight station in Tokyo in railway containers owned by the city governments of Kawasaki and Yokohama. From the station, the waste is transported to incineration plants in Tokyo and the Kawasaki-shi Ukishima Shori Center (Ukishima municipal waste disposal center) (Kawasaki-ku, Kawasaki-shi), where it is incinerated.



From Nov

**Commencement of the provision of the new SBS Eco-Logi Delivery contactless delivery service**

On November 1, the SBS Group launched the new SBS Eco-Logi Delivery contactless delivery service which proposes a new sustainable delivery method. The initial delivery area is Tokyo and three surrounding prefectures. The plan is to gradually expand this area. The goal of this service is to provide delivery services at reasonable prices, reducing CO<sub>2</sub> emissions through a lower redelivery rate and eliminating driver shortages at the same time.



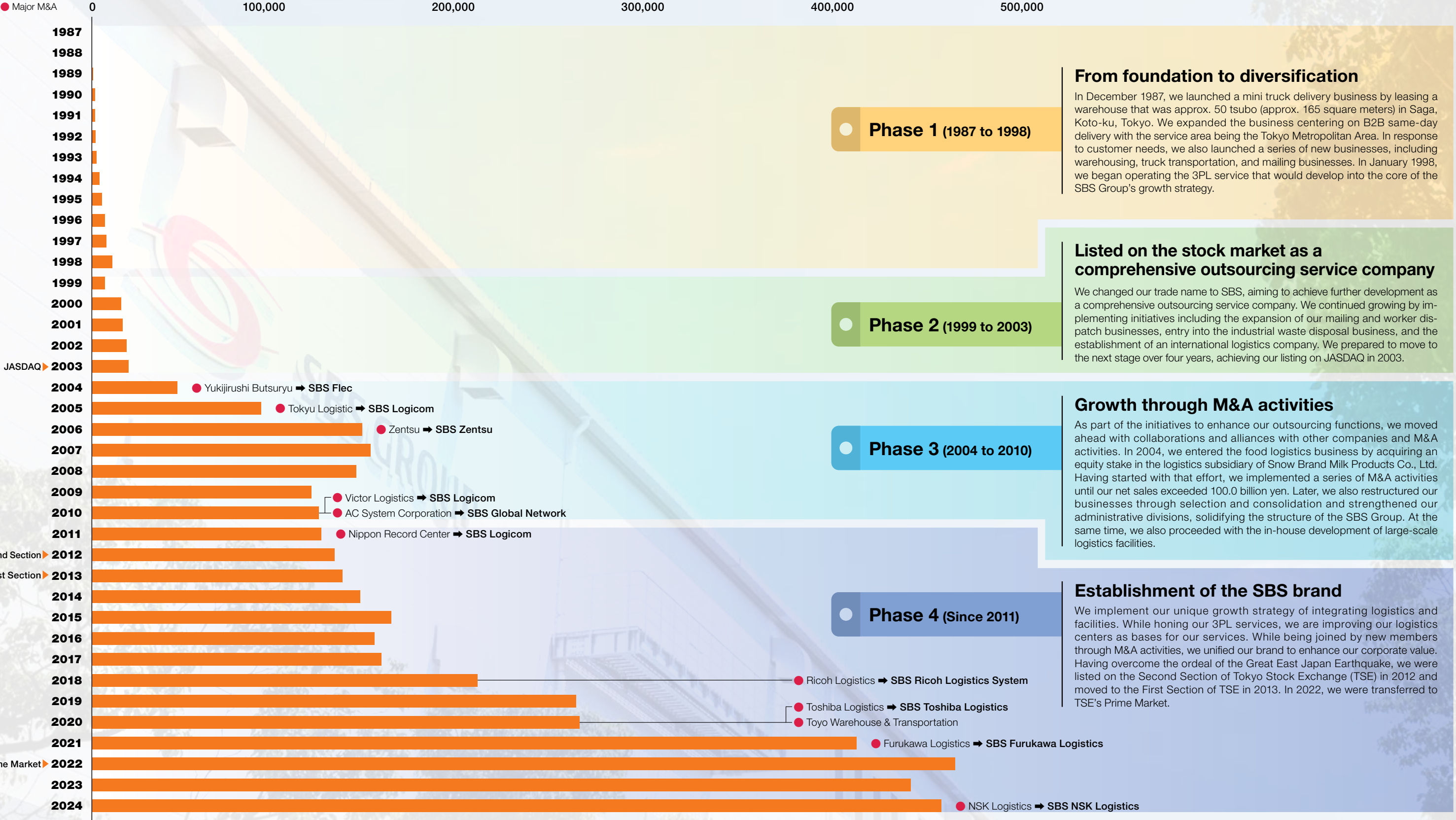
FY2024 key topics in the SBS Group's creation of value.

# KEY TOPICS



The SBS Group was established in 1987 as a transportation company that provided same-day delivery services which were groundbreaking at that time. We will continue on the path that we have followed by devoting significant effort to catering to customers' needs.

○Trend in Net Sales of the SBS Group Since Its Foundation (Unit: million yen)





Paving the way for the future of logistics

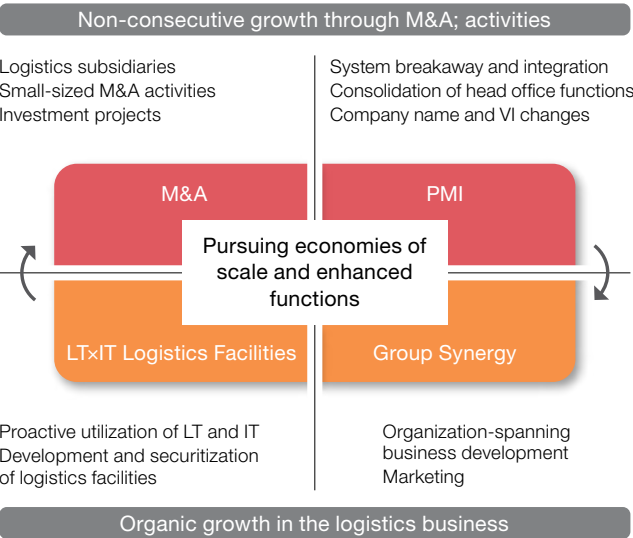
The DNA of the SBS Group lies in taking on new challenges. The SBS Group has been growing by continuing to take on challenges since it was established in 1987 to provide same-day delivery in the Tokyo Metropolitan Area, which was a groundbreaking service in that era. Welcoming companies handling the logistics functions of national brands into our group, we have expanded in size as a group of companies sharing DNA which includes an unwavering venture spirit and taking on challenges together. Today, we have established a corporate identity as a mega venture growing on the strength of logistics technology (LT) x IT. The SBS Group is developing a growth strategy focused on logistics needs and the business environment in the future from a medium- to long-term perspective, thus paving the way for the future of logistics.

Review of the fiscal year ended December 31, 2024 and new FY2030 targets

In the fiscal year ended December 31, 2024, domestic consumption was trending toward a recovery, chiefly reflecting the improvement in the employment and income environments and the growth in demand from inbound tourists. At the same time, the economic outlook remained uncertain due to negative factors including soaring resource and raw material

prices, the rising prices of daily necessities, and the aggravated impact of the labor shortage. In addition, times for the logistics industry as a whole were hard due to the decrease in logistics volume that was a result mainly of the slumping semiconductor market and the restraint on buying attributed to soaring prices of goods, as well as the insufficient transportation capacity which is referred to as the “2024 problem” in logistics and rising costs.

SBS Group Growth Strategy



The SBS Group has made progress in its acquisition of 3PL business, and its evolved form, 4PL business, in our mainstay logistics business. In addition, we began the full-scale operation of EC Logistics Omakase-Kun, a one-stop EC platform service. These achievements were a result of the development of a structure for catering to the EC logistics needs of a wide range of customers, including the opening of large-scale logistics centers that are compatible with EC logistics needs in both the Kanto and Kansai regions. Looking at consolidated results for the fiscal year ended December 31, 2024, net sales increased 16.233 billion yen (up 3.8%) year on year, to 448.145 billion yen. On the other hand, operating income decreased 2.014 billion yen (down 10.2%) year on year, to 17.704 billion yen, ordinary income fell 1.284 billion yen (down 6.5%) year on year, to 18.463 billion yen, and net income attributable to owners of parent decreased 0.437 billion yen (down 4.3%) year on year, to 9.619 billion yen. I take these results, where sales have grown while income has decreased, very seriously. In and after 2025, we will aim for high growth with a focus on the logistics business. At the same time, we will implement multilateral measures to increase the income margin of this business significantly. We will aim to achieve our FY2030 targets of consolidated net sales of 700.0 billion yen and a logistics business operating income margin of 4.5%.

Reform of the earnings structure

We are advancing our reform of our earnings structure to achieve a recovery of the logistics business operating income margin, which was only 2.2% in FY2024, to 4.5% or higher as soon as possible. The first key initiative for this purpose is to reduce cost by opening new business sites. We expect operating income to increase 1.18 billion yen year on year in FY2025 due to measures including the improvement of the loading ratio of owned and hired vehicles, the maximization of warehouse capacity, and uncompromising pricing optimization. We plan to continue with these measures as we move towards FY2030. The second key initiative is the reduction of vacant warehouse spaces. In FY2024, as much as 25,500 tsubo (84,300 square

meters) of our warehouse spaces were vacant, mainly due to the construction of a series of new sites. We expect that, by strengthening sales activities, we can reduce vacant spaces to 3,600 tsubo (11,900 square meters) and improve operating income by 0.96 billion yen within FY2025. We will also continue to work on this initiative steadily until FY2030. The third key initiative is the optimization of personnel composition. We will shift from worker dispatch and outsourcing to direct employment, thus ensuring stable on-site operation, and reallocate veteran full-time employees as professionals in sales activities to the identification of new customers and other operations, thus increasing our reskilling efforts. We will then enhance the value of human capital while at the same time controlling the cost of labor. In addition to the above, we are optimizing fees in consideration of the rising raw material, energy prices and other matters, combining this optimization with the proposal of improved services where appropriate.

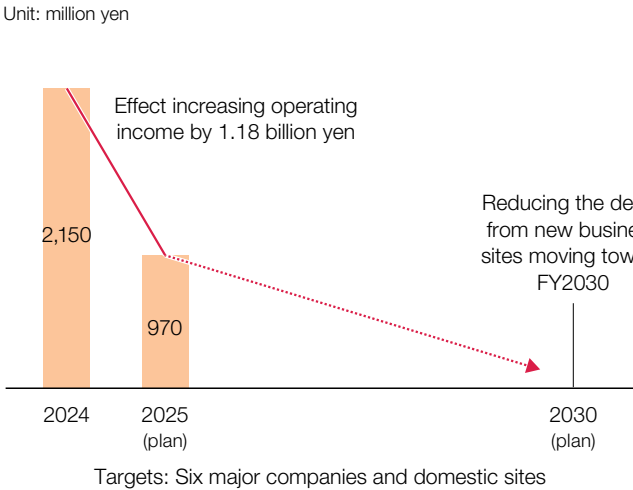
Fiscal 2024 Results (Consolidated)

Sales	448.1 billion yen	(+3.8%)
Operating Income	17.7 billion yen	(-10.2%)
Ordinary Income	18.4 billion yen	(-6.5%)
Net Income Attributable to Owners of Parent	9.6 billion yen	(-4.3%)
EPS (Net Income Per Share)	242.19 yen	(-4.3%)

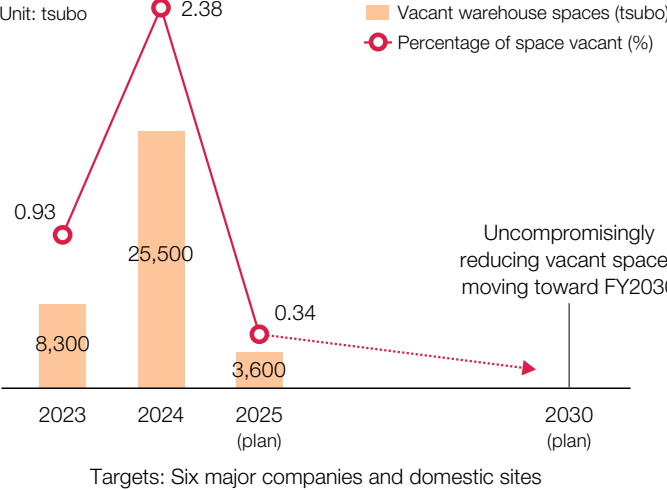
2030 Numerical Targets

2030 Numerical Targets	700.0 billion yen
Operating income margin of the logistics business	4.5 %

Reducing the Deficit from Opening New Business Sites



Reducing Vacant Warehouse Spaces



We are making steady progress towards net sales of one trillion yen while maintaining an unwavering venture spirit.

Masahiko Kamata, President, SBS Group

鎌田正彦



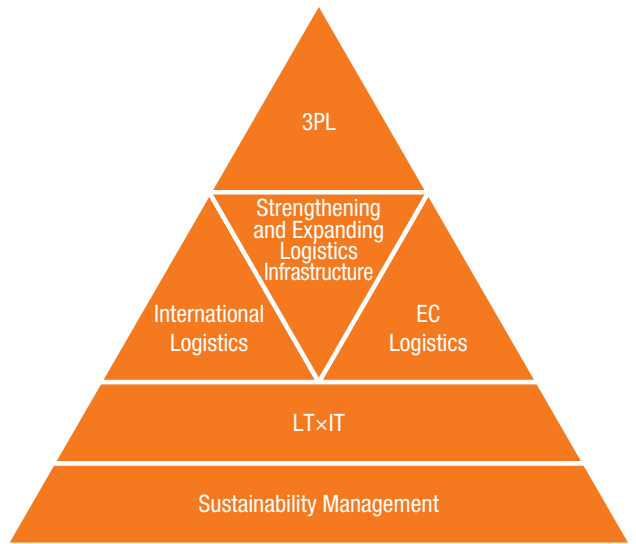
Progress in SBS Next Stage 2025

In the SBS Group three-year management plan: SBS Next Stage 2025, the Group has declared priority measures and numerical targets to be met by fiscal 2025. Our priority measures include the more specific implementation of growth strategies from a long-term perspective.

In FY2024, we made progress on the construction of a group platform in the 3PL, international logistics, and EC logistics business fields. The foundation supporting these fields, which is composed of logistics facilities, LT×IT, and sustainable management, is also being strengthened steadily.

In response to changes in the market environment, we reluctantly revised our FY2025 net sales and income targets downward. We will achieve these targets first, before moving ahead to the next stage.

Priority Measures in SBS Next Stage 2025



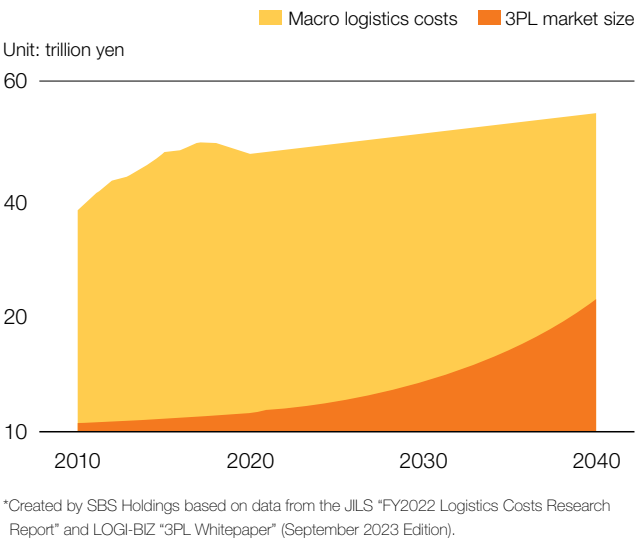
3PL

In the third-party logistics (3PL) provided by the SBS Group, the unique business models that integrate the development of logistics facilities are sources of competitiveness and growth potential. While honing these models, we are welcoming logistics companies with unique strengths into the Group and also strengthening the Groupwide sales development structure. This is our style at the SBS Group. We are powerfully expanding new 3PL contracts and deepening the 3PL business with existing customers as two integral measures.

NSK Logistics joined the SBS Group in October 2024. It was the NSK Group logistics provider. This will further enhance the foundation of the SBS Group's 3PL services in Japan and other countries.

The 3PL market is forecast to continue to grow at an ever-increasing rate as we move towards 2030 and 2040. The SBS Group is actively tapping into the growing demand in response to the needs of shippers who demand high-level expertise. The visibility of the SBS Group in society as a major 3PL service provider has been rising steadily. We plan to achieve net sales of 3PL of 263.5 billion yen in FY2025.

Predicted Expansion of the 3PL Market



3PL Net Sales Results and Targets

FY2024 result: **242.7** billion yen

FY2025 target: **263.5** billion yen

(revised from the 256.0 billion yen that was announced in the previous year)

Logistics infrastructure

The SBS Group has been working hard to improve our logistics infrastructure. Showing specific logistics facilities to customers increases their interest and trust, leading them to leave a great deal of their key logistics functions to us. This is what we believe, and it's been backed up by many actual examples.

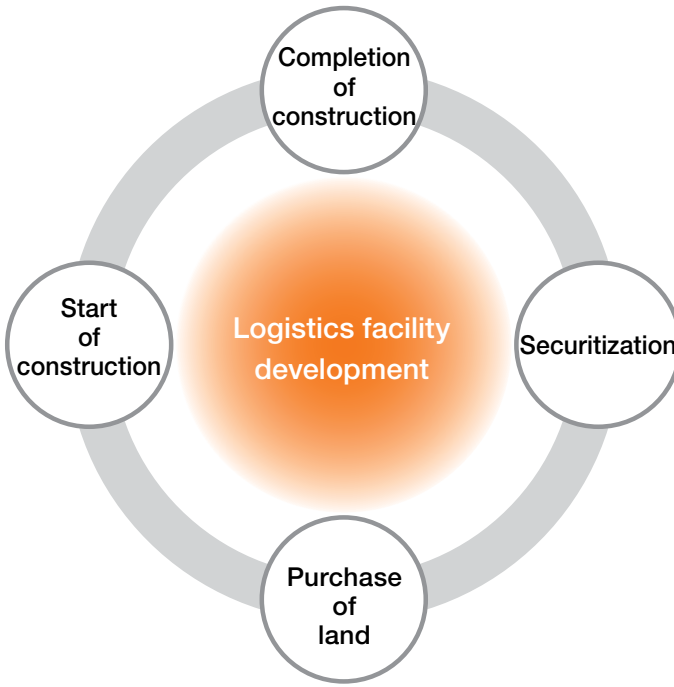
In FY2024, we expanded our floor area by 117,000 tsubo (386,776 square meters) by bringing the Noda Seto Logistics Center (40,000 tsubo/132,231 square meters) into operation in February, opening the Logistics Center Yokohama Fukuura (17,000 tsubo/56,198 square meters) in August, and implementing other initiatives. Now, the operational floor area of the SBS Group's logistics facilities has exceeded 1,000,000 tsubo (3,305,785 square meters).

We promptly recoup funds by securitizing these logistics facilities, which enables us to engage in the next development project. In FY2024, we transferred the trust beneficiary rights of the Shin-Sugita Logistics Center (Yokohama-shi), and we transferred the Fukagawa Warehouse (Koto-ku, Tokyo).

We plan to expand our floor area by 60,000 tsubo (198,347 square meters) in FY2025. For FY2026 and beyond, we have already acquired land with a potential operational area of approx. 160,000 tsubo (approx. 528,925 square meters). Target areas are not limited to the Kanto and Kansai regions. We have expanded them to Kyushu, Tohoku and Hokkaido.

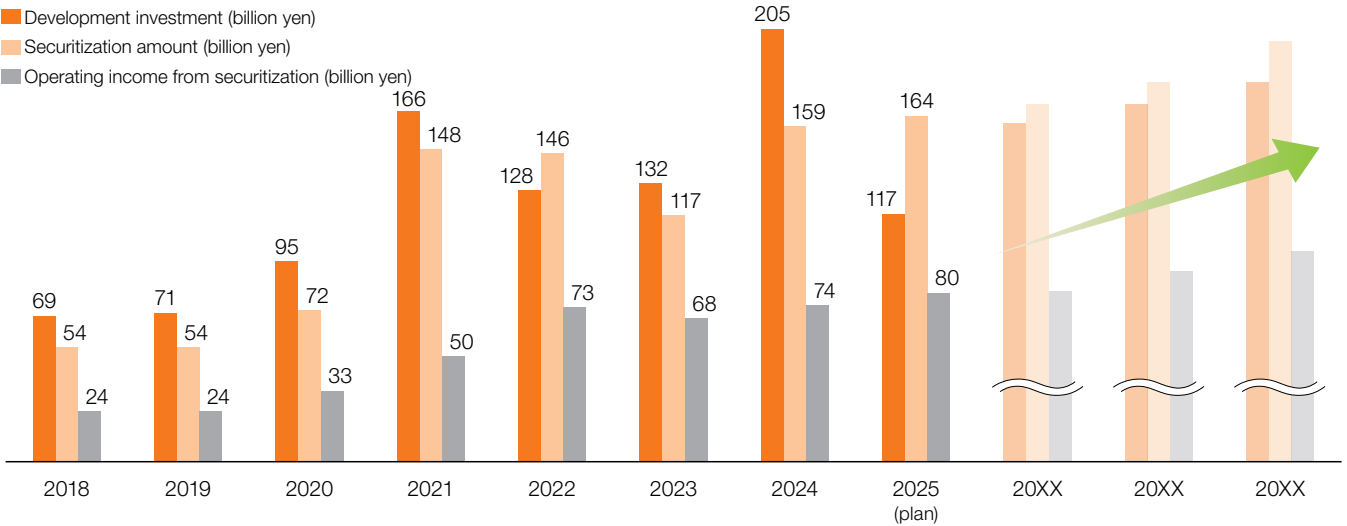
The qualitative and quantitative development of logistics facilities will steadily increase net sales, enabling us to take the next step. Going forward, we will implement this cycle with even greater momentum.

Cycle of Logistics Facility Development and Securitization



We will implement the cycle in which development of logistics facilities increases net sales, enabling us to take the next step with even greater momentum.

Income Creation Through the Securitization of Properties



International Logistics

The SBS Group deploys our logistics services internationally and we are expanding our network. Net sales in FY2024 were 54.4 billion yen (up 2.7 billion yen year on year). We plan to secure net sales of 56.0 billion yen in FY2025, anticipating that we will be impacted by a fall in ocean freight rates. By last fiscal year, we had integrated and rebuilt business sites with a focus on two of our Group companies with overseas subsidiaries that have especially strong networks (SBS Toshiba Logistics and SBS Ricoh Logistics). Through these efforts, we have built a foundation for expanding business related to cargo to and from East Asia and Southeast Asia and intra-regional logistics in these areas.

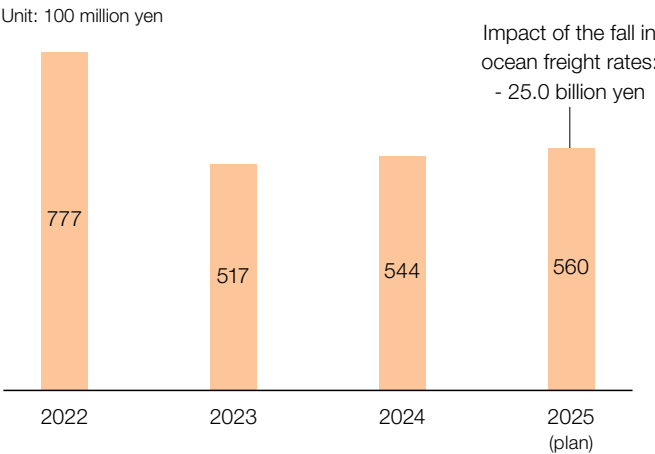
In April 2025, we acquired an 80.0% equity stake in Blackbird Logistics B.V. (Netherlands). As a result, the SBS Group will have a business site in Rotterdam, the largest port in Europe. We will strengthen the overseas business of the Group as a whole by integrating it into existing businesses and customer networks in China and Asia, and also expanding our 3PL business in the European market.

EC Logistics

Many electronic commerce (EC) transactions, which are conducted online, are completed using real-world logistics. The SBS Group has paid attention to the growth potential of EC logistics and launched the EC1000 project in FY2023. Net sales of EC logistics in FY2024 were 58.6 billion yen (up 2.7 billion yen year on year), but we plan to increase them to 64.0 billion yen in FY2025.

At the core of this effort to expand our business is EC Logistics Omakase-Kun, a one-stop service platform providing optimal solutions for EC logistics. We will also provide total support for EC operators, from logistics center operation to final (last-mile) delivery. We will fully leverage logistics technologies (LT) to provide robust logistics services

●Trend in International Logistics Sales and International Logistics Plan



at a low cost. In February 2024, the EC Noda Seto Logistics Center, the industry's first dedicated EC platform, began operating. On a floor with an area of approx. 10,000 tsubo (approx. 33,000 square meters), EC business operators share the use of logistics robots (automatic guided robots and high-reach robots) and material handling equipment.

In FY2025, we plan to expand the floor of the EC Noda Seto Logistics Center by 5,000 tsubo (16,500 square meters) and bring our second EC logistics base into full-scale operation in Yao-shi, Osaka.

LT×IT

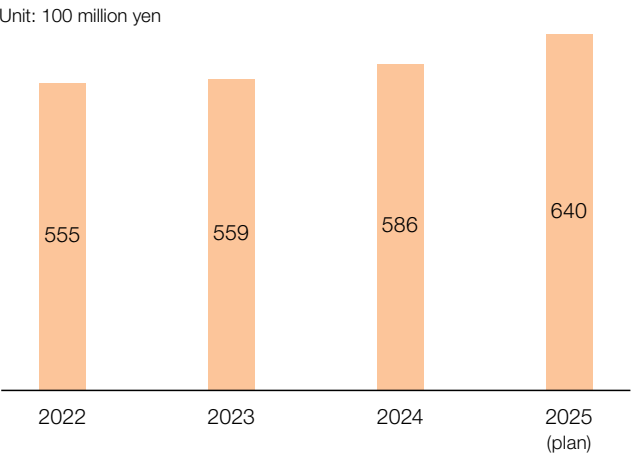
We have completed the initial phase of the SBS Group's LT×IT initiatives focused on the introduction of technologies and the consideration of how they should be used. We are working so that the operations of each business and facility reflect the things we have learned in an optimal manner.

An example of this is Logistics Center Yokohama Fukuura which began operating in August 2024, where we have introduced a combination of uncrewed automatic guided vehicles (AGVs) which transport cargo via input into a system, forklifts that can be used for high-rise racks and other equipment. We have them work with the trunk line network linking our sites across Japan, which is our strength, and our distribution processing techniques, including product inspections, kitting, and setup. This has enabled us to safely, reliably and efficiently manage warehouses.

Many elemental technologies have been introduced to many people at the Logistics Lab, which is also a place for evaluation and experiments. Some of these technologies are exhibited in the showroom at our head office. A deeper understanding of technologies will expand the possibilities of their use.

We will continue to transform logistics using technologies while also considering the feelings of our customers and workers.

●Trend in EC Logistics Sales and EC Logistics Plan





Sustainability Management

The SBS Group pursues the achievement of a sustainable society by solving social issues and the continual improvement of corporate value in an integrated fashion. This is the SBS Group's approach to sustainability management.

As a part of these efforts, SBS Sokuhai Support, which provides same-day delivery services, began to provide SBS Eco-Logi Delivery in November 2024. We provide the contactless delivery services in the simultaneous pursuit of delivery services at reasonable prices, the reduction of CO<sub>2</sub> emissions with a reduced redelivery rate and the mitigation of the driver shortage.

We also plan to convert around 1,000 light and medium-sized vehicles (2-ton and 1.5-ton trucks) into EVs by FY2030. This is the first initiative in Japan to convert used diesel trucks into EVs in preparation for mass production.

Seen from a macroscopic perspective, M&A activities will expand the possibilities for reducing carbon emissions in logistics. A good example of this is the shared use of vehicles. We will explore what can be done by the SBS Group from a broad perspective. The Group has been working in various logistics fields and has grown to have domestic and overseas network.

Plan to Convert Light and Medium-Sized Vehicles to EVs

Around **1,000** vehicles (by FY2030)

M&A activities are always about welcoming a new colleague into the Group. We will be happy to support the organizations and human resources of our new colleagues so that they can shine within the SBS Group.

To steadily solidify our foothold, we will implement initiatives to strengthen our governance system, including the review of the composition of our Board of Directors. We also take measures to improve the effectiveness of the compliance system within the Group.

Shareholder Return

The SBS Group generates profit by delivering value to a wide range of stakeholders, including customers, and it returns the profit to its shareholders. We review the level of our dividends with a view toward the expansion of our corporate value.

In the fiscal year ended December 31, 2024, we issued dividends of 70 yen per share, an increase of 5 yen from the previous period as planned. As a result, the dividend payout ratio came close to 30%, which has been our rough target. In the fiscal year ending December 31, 2025, we plan to increase the dividend by a further 15 yen to 85 yen (with a dividend payout ratio of 30.1%).

Dividend Plan for the Fiscal Year Ending December 31, 2025

**85** yen per share (up 15 yen YoY)

Towards the enhancement of our corporate value

The SBS Group operates businesses with the cost of capital and capital efficiency in mind. We value ROE, PER and PBR as key indicators of capital efficiency.

Our return on equity (ROE) is above the average for the industry (the land transportation industry), but it has been declining in the last three years. It was just 11.5% in FY2024. We have set the new target of stably maintaining a ROE between 12% and 14% by improving the income margin and optimizing our capital composition.

Our stock price to earnings ratio (PER) has been below the industry average since FY2023 (In FY2024, the SBS Group's PER was 9.8 while the industry average was 14.7). We aim to achieve the current industry average of around 15.0 in the future by earning the trust of our shareholders and investors, increasing the expected growth rate, and reducing the cost of capital.

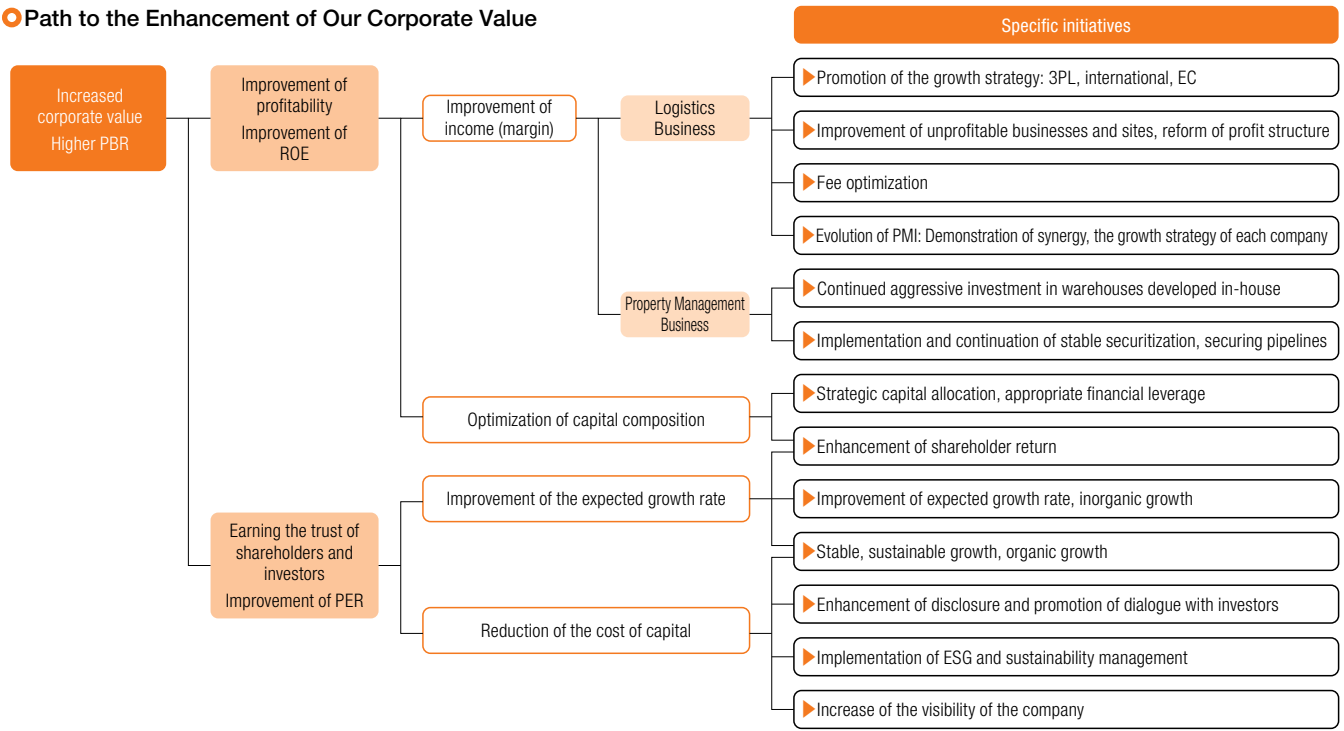
Our stock price to earnings ratio (PBR) was 1.2 times in FY2024. This is above the industry average, but we will continue to aim to achieve between 1.2 times and around 2.0 times in the future by improving ROE and PER.

Having envisioned the path to achieving these targets as below, we are implementing individual actions to do so.

Developing logistics and paving the way to a prosperous future

The world is undergoing structural changes. I believe that the SBS Group's mission is to pave the way to a prosperous future by continuing to develop logistics as social infrastructure in view of the new constraints and possibilities that will be created because of these changes. If we can fulfill this mission, we should automatically achieve our target, net sales of one trillion yen, and our next target should come into sight. I deeply appreciate your interest in our initiatives. I look forward to receiving your frank opinions.

If the SBS Group fulfills its mission, it should automatically achieve its target, net sales of one trillion yen.



We aim to continually improve ROE by optimizing our capital composition through the strategic allocation of capital and appropriate financial leverage.

Strategically allocating capital to expand investment in the foundation for our growth and shareholder return

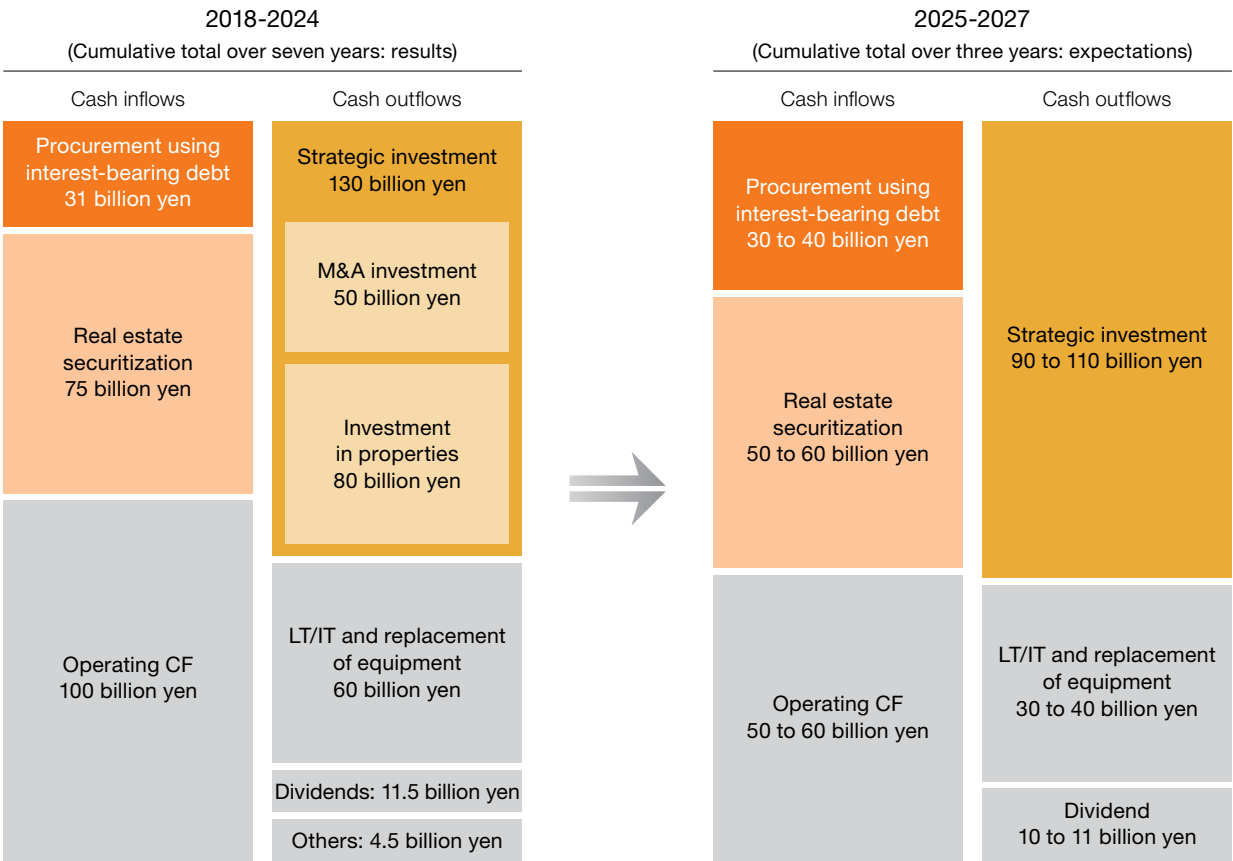
In addition to improving income (margin), the optimization of our capital composition is also an important approach to improving ROE that the SBS Group should take. Specifically, this means the strategic allocation of capital with an awareness of capital efficiency and the appropriate use of financial leverage.

Regarding the cumulative total cash inflow during the seven years from 2018 to 2024, cash flows from operating activities were approximately 100 billion yen, a result of the sustainable growth of profit. Of this, 75 billion yen came from the securitization of logistics facilities developed in-house, and 31 billion yen came from interest-bearing debt, which was a result of procurement using sustainable financing as well. We newly invested 130 billion yen of cash in M&A activities and the development of logistics facilities and 60 billion yen in the promotion of DX, the replacement of vehicles, equipment, and

other activities. These investments have expanded the domains and scale of the SBS Group's businesses, and their profitability has been above the capital cost, together with ROE and ROIC. We therefore understand that this has led to the enhancement of our corporate value.

During the three-year period starting in 2025, our plan for strategically allocating capital involves investing in our foundation for growth (in M&A activities and the expansion, integration, and streamlining of logistics facilities) while increasing our dividend payout ratio to 30% or higher. Regarding cash inflows, we assume that both cash flows from operating activities and inflow from real estate securitization will reach 50 to 60 billion yen. We also project that we will allocate 10 to 11 billion yen to dividends while securing 90 to 100 billion yen to strategic investments and 30 to 40 billion yen to technologies and equipment using interest-bearing debt as necessary.

Direction of Strategic Capital Allocation Activities



\* Figures for FY2025 to FY2027 are estimates based on current prospects. Specific planned figures will be set in the next medium-term management plan (2026 to 2028).  
\* as of February 2025

Expanding the scale of the company and growth investments using appropriate financial leverage

An effective way to improve ROE is to invest in growth using interest-bearing debt as necessary without excessively accumulating capital.

On our balance sheet (BS), a feature of our capital composition is high liquidity. Total asset turnover is 1.4 times, which is higher than the industry average. On the whole, the efficiency of asset management is high. In FY2024, the shareholders' equity ratio was 27.8%. The net DE ratio improved to 0.8 times. However, because our balance sheet features relatively high liquidity, the use of a certain level of interest-bearing debt in investments, rather than an excessive amount of shareholders' equity, would increase capital efficiency.

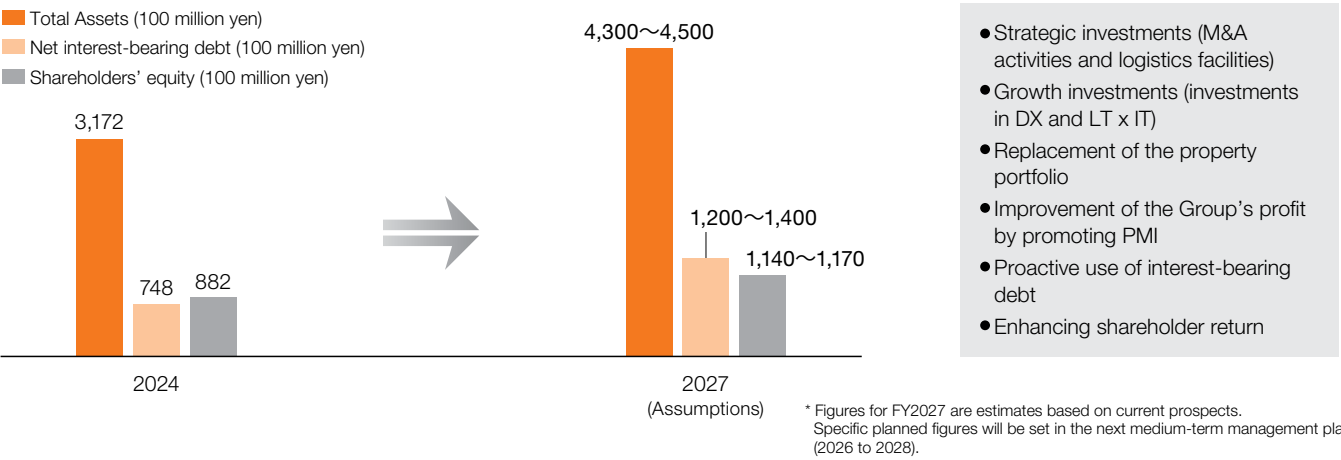
Based on this understanding, our policy for FY2025 to FY2027 is to target a shareholders' equity ratio of around 25% to 30%, a net DE ratio of around 0.9 to 1.2 times, and financial leverage ratio of around 3.0 to 4.0 times in consideration of growth investments and the appropriate use of financial leverage. These are equivalent to our current levels.

Expected Financial Leverage Ratio for FY2025 to FY2027

Around **3.0 to 4.0** times

Expected Financial Ratio

	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Expectations for FY2025 to FY2027
Shareholders' equity ratio	21.9%	23.7%	26.4%	27.8%	A rough target of 25% to 30%
Financial leverage	4.6 times	4.2 times	3.8 times	3.6 times	A rough target of around 3.0 to 4.0 times
Net DE ratio	1.2 times	1.0 times	0.9 times	0.8 times	A rough target of around 0.9 to 1.2 times





Sales and Profits

Net sales in FY2024 were 448.145 billion yen, an increase of 16.233 billion yen from the previous fiscal year (a 3.8% increase compared with the previous fiscal year). The logistics business accounted for 93.8% of net sales by value, while the property management business and other businesses accounted for 4.0% and 2.2% respectively.

Operating income stood at 17.704 billion yen, decreasing 2.014 billion yen over the previous fiscal year (a 10.2% decrease).

Additionally, net income attributable to owners of parent decreased 0.437 billion yen year on year to end at 9.619 billion yen, a 4.3% decrease.

Net Sales

**448.1** billion yen (+3.8%)

Logistics Business 420.3 billion yen (+2.9%)

Property Management Business 17.9 billion yen (+29.0%)

Other Businesses 9.8 billion yen (+5.9%)

Operating Income

**17.7** billion yen (-10.2%)

Logistics Business 9.2 billion yen (-19.8%)

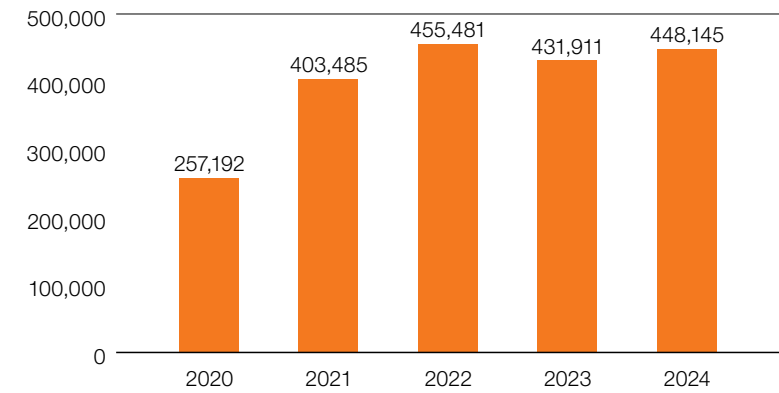
Property Management Business 8.1 billion yen (+1.9%)

Other Businesses 0.3 billion yen (+8.5%)

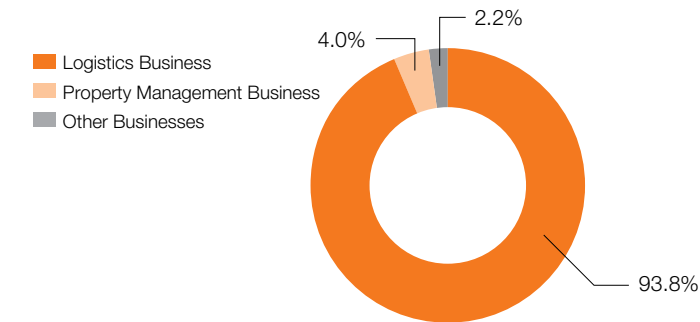
Net Income Attributable to Owners of Parent

**9.6** billion yen (-4.3%)

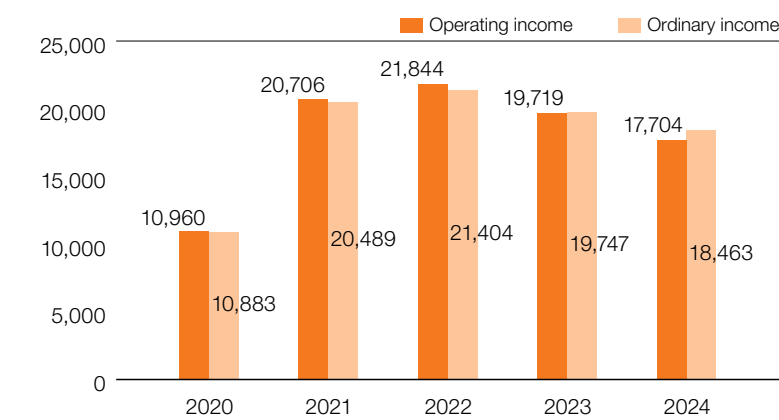
Net Sales (million yen)



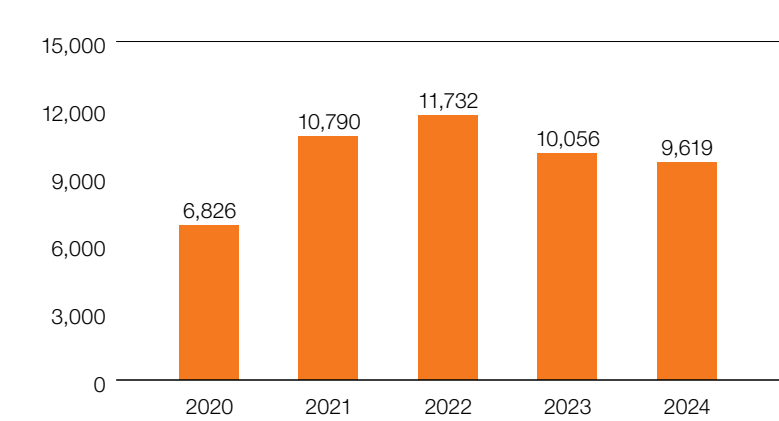
Composition of Net Sales by Business (2024)



Operating Income and Ordinary Income (million yen)



Net Income Attributable to Owners of Parent (million yen)



[Logistics Business]

In our mainstay logistics business, we focused our efforts on acquiring new customers who demand high-level logistics functions, tapping into EC logistics demand, and expanding our lineup of services including the full-scale introduction of last-mile contactless delivery services, in addition to expanding our businesses with existing customers. Net sales in the logistics business in FY2024 increased 11.648 billion yen year on year (up 2.9%) to 420.333 billion yen chiefly due to the effects of the establishment of new sites, but operating income declined 2.28 billion yen year on year (down 19.8%) to 9.22 billion yen, mainly reflecting the increased cost of establishing new sites.

[Property Management Business]

The property management business comprises the development business and rent business. In the development business, we pursue an integrated approach to developing large-scale warehouses that meet customers' logistics needs from land acquisition to construction, in order to promote the Group's 3PL and 4PL businesses. In the rent business, we generate rental income from Group-owned warehouses, office buildings, residences and other properties. SBS Holdings securitizes logistics real estate to recoup funds for future investment, and income recorded from securitization is included in the property management business. Regarding real estate securitization in FY2024, we transferred trust beneficiary rights in the Shin-Sugita Logistics Center (Yokohama-shi) and transferred the Fukagawa Warehouse (Ko-to-ku, Tokyo). As a result, net sales in the Property Management Business rose 403.6 billion yen (up 29.0%) year on year to 17.936 billion yen, with operating income up 150 million yen (up 1.9%) over the same period to 8.113 billion yen.

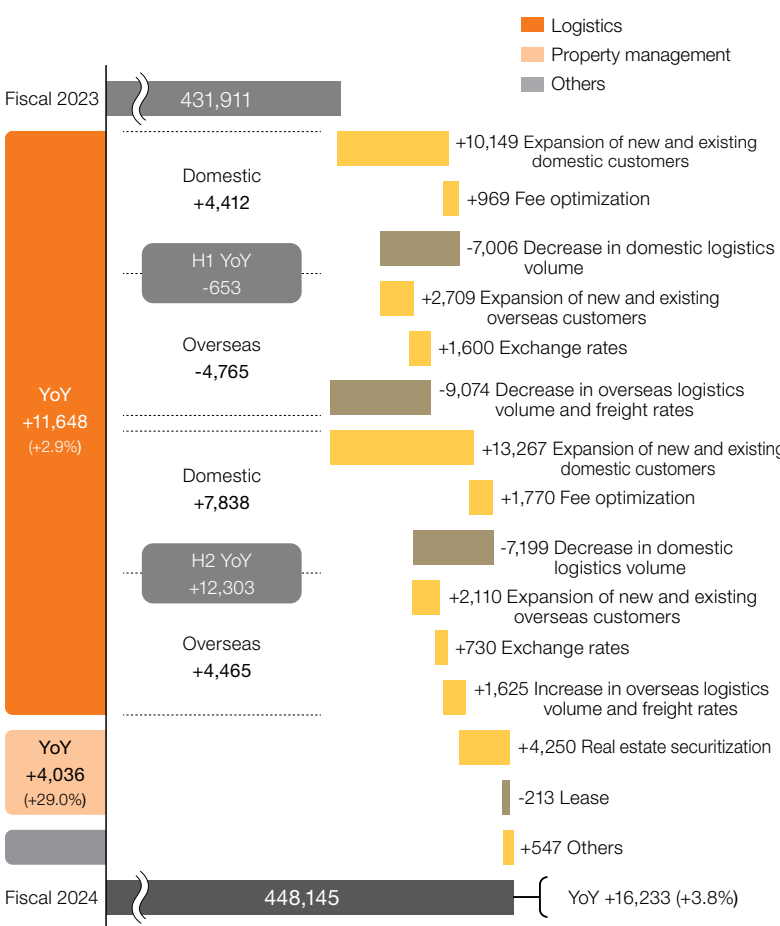
Capital Investment

Capital investments made in FY2024 totaled 14.738 billion yen. In the logistics business, we invested 12.029 billion yen in the enhancement of logistics facilities, routine vehicle upgrades, and other activities. In the Property Management Business, investments of 1,218 million yen were made in areas such as acquisition for lease properties. In other businesses, we made investments of 913 million yen to install extra solar power generating equipment and in other areas. In terms of company-wide assets, we invested a total of 576 million yen in areas such as the purchase of software for in-house use and internal network equipment.

[Other Businesses]

The main other businesses are a worker dispatch business, marketing business, solar power generation business and environmental business. Net sales in the other businesses in FY2024 increased 547 million yen (5.9%) year on year to 9.875 billion yen, with operating income increasing 30 million yen (8.5%) over the same period to 390 million yen.

Factorial Analysis of the Change in Net Sales (by Segment) (million yen)



Capital Investment

**14.7** billion yen

Change in Capital Investment Amount (million yen)

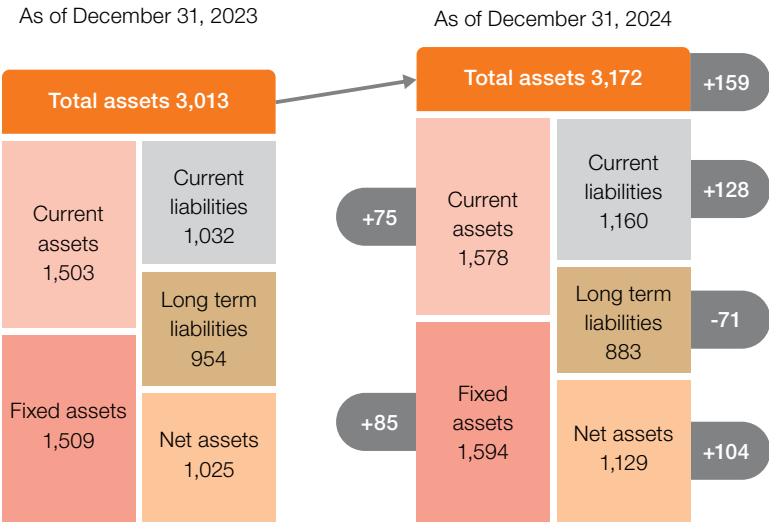
	2020	2021	2022	2023	2024
Total	11,507	14,501	17,859	10,952	14,738
Logistics Business	10,971	12,544	15,183	9,394	12,029
Property Management Business	75	145	913	50	1,218
Other Businesses	107	128	53	516	913
Company Assets	353	1,682	1,709	991	576

\* Amount of purchases of software for in-house use was previously included under "Other Businesses" but has been included under "Company Assets" from FY2021.

Assets and Liabilities

Total assets as of the end of the fiscal year stood at 317.287 billion yen, an increase of 15.969 billion yen from the end of the previous fiscal year. In current assets there were increases, mainly in accounts receivable and inventories. In fixed assets, there were increases mainly in buildings, land, and investment securities. Liabilities stood at 204.338 billion yen, an increase of 5.614 billion yen compared with the end of the previous fiscal year. The amount that current liabilities, such as accounts payable and the current portion of long-term loans payable, increased exceeded the amount that fixed liabilities, including long-term loan payable, decreased. Net assets stood at 112.948 billion yen, an increase of 10.355 billion yen compared with the end of the previous fiscal year. The increase was mainly due to an increase in shareholders' equity, including higher retained earnings resulting from the recording of net income attributable to owners of parent.

Change in Consolidated Balance Sheet (100 million yen)



Trends in Finances

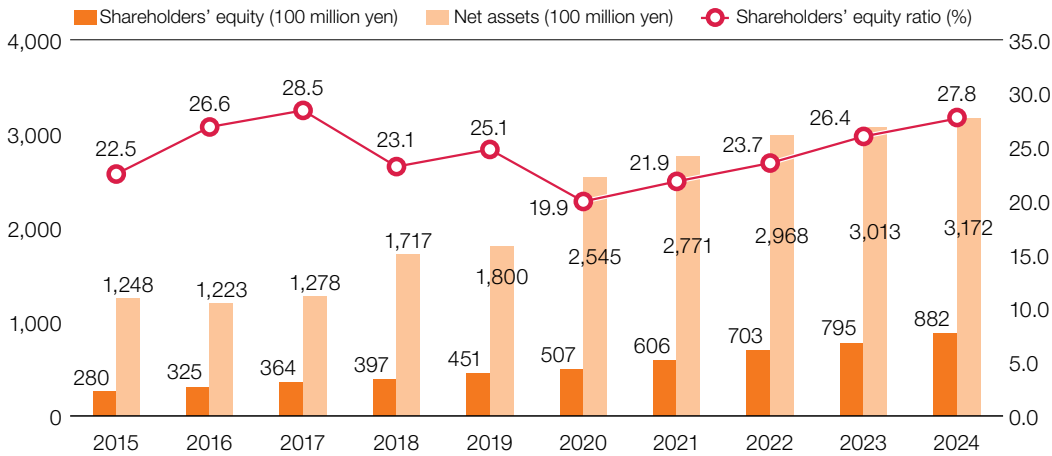
Working from a medium-to-long-term perspective, the SBS Group intends to achieve the sustainable growth of its businesses and boost earnings capability and capital efficiency. Additionally, as a part of key business and investment strategies, we will promote the unique business model of pursuing the stable growth of the 3PL and 4PL businesses by systematically iterating on a cycle of the in-house development and securitization of logistics facilities. Aiming to firmly maintain financial soundness while enhancing earnings capabilities through active

investment, we have set an operating margin of 5.5% and shareholders' equity ratio of 30% as mid-term targets, and use these as metrics to inform decision making. In FY2024 we achieved an operating margin of 4.0% (down 0.6% from the previous fiscal year) and a shareholders' equity ratio of 27.8% (up 1.4%). We will continue to pursue business management with an awareness of improved profitability and financial soundness, achieving the optimum balance between investment and return.

Shareholders' Equity Ratio

27.8%

Change in the Shareholders' Equity Ratio



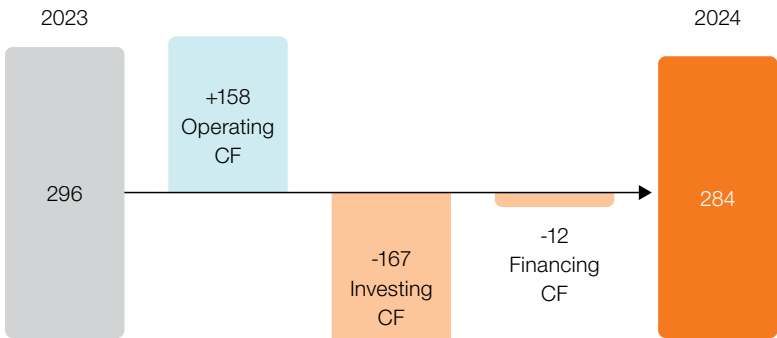
Cash Flow

As of December 31, 2024, cash and cash equivalents ("cash," hereafter) had decreased by 1.223 billion yen to 28.436 billion yen from the end of the previous fiscal year. The main reasons for the changes in each cash flow are as follows.

[Cash Flows from Operating Activities]  
Net cash provided by operating activities was 15.807 billion yen, an increase of 1.693 billion yen from the previous fiscal year (14.113 billion yen). Despite factors including a decline in net income, the total amount was a positive value partly due to changes in depreciation, other non-cash items, trades receivable, and trades payable, among other items.

[Cash Flows from Investing Activities]  
Net cash used in investing activities was 16,723 million yen. Cash outflows increased 6.538 billion yen from the previous fiscal year (10.184 billion yen), mainly reflecting an increase in outlays for the acquisition of fixed assets and the implementation of M&A activities.

Change in the Balance of Cash and Cash Equivalents (100 million yen)



[Cash Flows from Financing Activities]  
Net cash used in financing activities was 1.293 billion yen. Cash outflow decreased 6.353 billion yen from the previous fiscal year (7.647 billion yen), mainly reflecting an increase in income that resulted from short-term and long-term borrowings and a decrease in outlays for the repayment of long-term loans.

Balance of Cash and Cash Equivalents

28.4 billion yen

Shareholder Return

The Company considers the return of profits to shareholders to be one of its most important management priorities. The Company's basic policy on the distribution of profits is, while retaining sufficient internal reserves for the establishment of a more robust management foundation, to pay stable dividends, and improve the level of dividends in line with business performance, premised on investments in growth to enhance its corporate value over the medium to long terms while maintaining its financial soundness.

In addition, the Company follows a basic policy of distributing surplus funds as dividends once a year. In accordance with the relevant provisions of the Companies Act, the Company's articles of incorporation stipulate that the Board of Directors may, in addition to other matters, decide by resolution to distribute surplus funds as dividends.

Based on the basic policy described above, the Company decided to issue a year-end dividend of 70 yen per common share, having comprehensively taken into account its business performance in FY2024, the Company's financial status, and other factors. This represents an increase of 5 yen per share compared with the previous fiscal year.

Change in Dividends

	Dividend per Share	Net income per share	Net assets per share	Dividends payout ratio	Ratio of dividends to net assets
For the year ending December 31, 2025 (forecast)	85 yen	-	-	30.1%	-
For the year ended December 31, 2024	70 yen	242.19 yen	2221.18 yen	28.9%	3.3%
For the year ended December 31, 2023	65 yen	253.20 yen	2003.63 yen	25.7%	3.4%
For the year ended December 31, 2022	61 yen	295.39 yen	1772.04 yen	20.7%	3.7%
For the year ended December 31, 2021	55 yen	271.67 yen	1527.58 yen	20.2%	3.9%
For the year ended December 31, 2020	35 yen	171.88 yen	1277.92 yen	20.4%	2.9%
For the year ended December 31, 2019	30 yen	153.06 yen	1136.22 yen	19.6%	2.8%

Year-End Dividend Per Common Share

70 yen



The SBS Group emphasizes 3PL that comprehensively supports corporate logistics and is further enhancing its strengths in this area.  
Through M&A, we are expanding the areas and geographical range of where we work.

3PL as the Core of Our Management Strategy

3PL (third-party logistics), which the SBS Group positions at the core of its management strategy, is a service where we propose logistics reforms to consignors and are entrusted with their logistics operations on a comprehensive basis. To achieve the ideal form of logistics envisaged by customers, we plan and operate a range of operations arising in the supply chain on behalf of customers, including transportation, packing, storage, cargo handling and information management. The SBS Group defines logistics services meeting the criteria of direct contracts with consignor companies, medium-to-long-term plans and the joint entrustment of multiple services as 3PL. We consistently work to maximize the benefits of 3PL. Based on the low-cost operations the Group has honed, we flexibly combine various elements including consulting, information systems and logistics centers to provide valuable 3PL services to customers in various industries and lines of business. The Group defines 4PL as logistics services that provide greater added value than are available with 3PL, and involve proposing and realizing logistics strategies that reflect customer management strategies (and solve management issues). The Group has been building up a track record of achievements using this approach. From a medium-to-long-term perspective, we conceptualize measures aimed at optimization of the entire supply chain, and promote those measures together with customers.

Strengths of the SBS Group's 3PL

Proposal Capabilities

- Proposals to transform logistics through overall optimization
- Proposals that emphasize data analysis
- Proposals that reflect familiarity with logistics in the field

Informational Capabilities

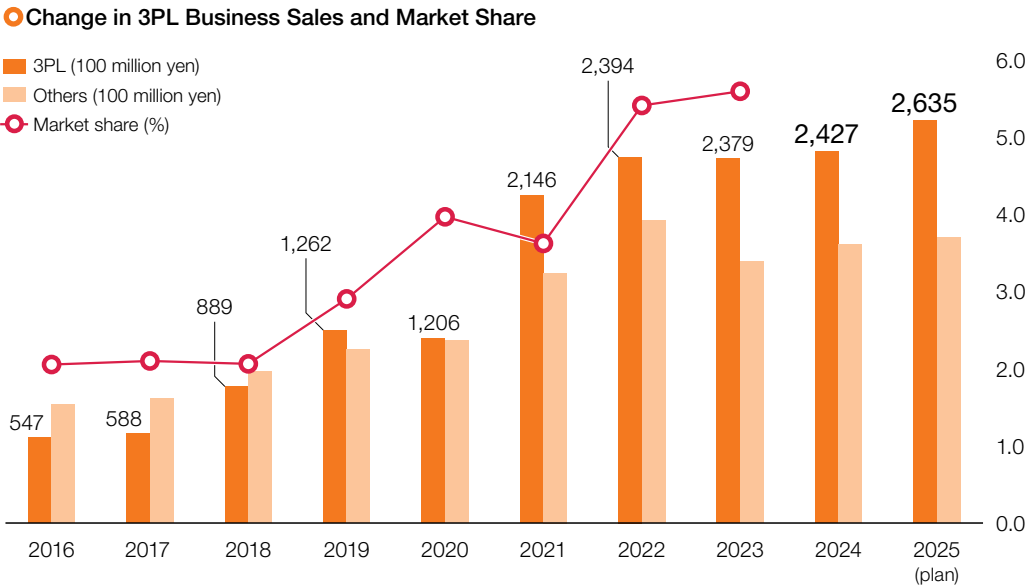
- Proposals covering everything from information system development to operation
- Unique development center management system

Development Capabilities

- Ability to develop and provide our own logistics centers
- Ability to maximize cost reductions with optimum facilities

Operational Capabilities

- Well refined low-cost operation
- Sites that advance efficiency and quality through improvement activities



\* Market share was calculated by SBS Holdings based on data from the September 2023 edition of the 3PL Whitepaper published monthly by LOGI-BIZ.

Rollout of 3PL in Each Region

The SBS Group, which is a collection of logistics business operators with a diverse range of strengths, is rolling out 3PL in a multifaceted way. SBS Logicom, a logistics company affiliated with multiple electric railway companies in the past, provides 3PL services to customers across various industries including manufacturers, retail chains and e-commerce businesses, and is involved with a wide range of operations from integrated international transportation to logistics center operation and store deliveries. The company also has a track record of accepting contracts to strengthen logistics functions as a business continuity planning (BCP) initiative. SBS Flec, which provides food logistics at the three temperature zones (refrigerated, frozen and room temperature), provides Food 3PL services that offer one-stop logistics management services from food production sites to customers. The Company responds to the need for food safety and security, taking action by expanding trading zones, as well as streamlining and reducing the costs of logistics. SBS Ricoh Logistics System, which boasts a track record as a logistics subsidiary for a precision equipment manufacturer, provides 3PL services that make full use of its technologies, expertise and business infrastructure. In addition to logistics for precision equipment, the company supports a wide range of customers spanning everything from electrical component and machinery component logistics that require high levels of expertise to procurement and production logistics catering to the needs of factories, logistics for mass retailers supporting increasingly complex delivery services and office e-commerce logistics, as well as logistics for cosmetics and quasi-drugs. SBS Toshiba Logistics, which has accumulated experience in the provision of solutions from a management perspective as a subsidiary allotted logistics functions for an electric appliance manufacturer, is directly involved with 4PL services including strategic proposals while also being tasked with sharing its expertise with other SBS Group companies.

Providing Solutions to Chain Stores

SBS Toshiba Logistics is strengthening the medical logistics business based on the principles of joint logistics and joint delivery. As a part of these efforts, we engage in 3PL operations for two medical equipment manufacturers at the North Kanto Branch Kashiwashonan Warehouse (Kashiwa-shi, Chiba Prefecture) and the Kansai Branch Shin-Suminoe B Warehouse (Suminoe-ku, Osaka-shi), which are medical platform sites in the east and west. JMS Co., Ltd., which is engaged in the manufacturing and sale of medical equipment and pharmaceuticals, opened its logistics center for the the East Japan area at the North Kanto Branch Kashiwashonan Warehouse and started operations there on August 16, 2024. Further, O&M Halyard Japan, G.K., a Japanese company with its headquarters in the United States that is engaged in the manufacturing and sale of various products with a focus on infection control and medical safety products, opened its logistics center for the East Japan area at the North Kanto Branch Kashiwashonan Warehouse and its center for the West Japan area at the Kansai Branch Shin-Suminoe B Warehouse, and it began to serve the whole nation on November 5, 2024.

As a Key Activity of the Medium-term Management Plan

Under Next Stage 2025, the SBS Group's Three-Year Management Plan, 3PL is at the top of the list under Priority Measures 1 (Enhance the overall strength of the Group). The Group plans to further strengthen and deepen B-to-B businesses, particularly in 3PL. To secure new contracts, we will roll out sales activities targeting customers' entire supply chains, developing uncontracted areas with a broad perspective. For existing customers, we are working to spread contracted areas to peripheral domains utilizing our logistics platform in addition to proposing improvements based on their needs. In addition, to expand orders for 4PL services, we focus on developing human resources with high-level knowledge.

Expansion of 3PL in 2024

- A Significant Increase Will Be Achieved in FY2025 with Addition of Effects of M&A Activities.**  
Performance remained steady until FY2024 due in part to the expansion of existing operations in addition to establishment of new sites. An increase is expected due to the consolidation of NSK Logistics into the Group in addition to acquiring new customers.
- February: Commencement of the Operation of the Noda Seto Logistics Center**  
One of the largest facilities in the Group with an area of 40,000 tsubo (132,231 square meters) Commencement of the operation of the first EC platform site
- August: Opening of Distribution Center Yokohama-Fukuura**  
Full utilization of 17,000 tsubo (56,198 square meters) planned (SBS Ricoh Logistics)
- September: Expansion of the Operation of Medical Platforms**  
Kashiwashonan Warehouse (SBS Toshiba Logistics)



North Kanto Branch Kashiwashonan Warehouse

- October: Consolidation of NSK Logistics into the Group**  
Consolidation of the 3PL operations of the NSK Group
- Expansion of Floor Space by 110,000 Tsubo (363,636 Square Meters) in FY2024 (H1: 81,000 Tsubo or 267,768 Square Meters / H2: 31,000 Tsubo or 102,479 Square Meters)**  
The operational floor area of logistics facilities exceeded 1,000,000 tsubo (3,305,785 square meters), increasing the potential for the expansion of 3PL.

Ongoing Improvements to 3PL Infrastructure

To deliver the benefits of 3PL services to as many customers as possible, the SBS Group is systematically developing and increasing the sophistication of its business infrastructure. Logistics facilities are the most important element as infrastructure supporting 3PL. The SBS Group has set 1 million tsubo (around 3.3 million square meters) in operational floor area across its logistics facilities as one of its targets. This was achieved in FY2024, when floor space was quickly expanded by 117,000 tsubo (386,776 square meters) due to the development of multiple large-scale sites. We plan to expand floor space by approx. 60,000 tsubo (approx. 198,000 square meters, including approx. 38,000 tsubo, or approx. 125,000 square meters for two newly consolidated companies). Further, we have acquired approx. 160,000 tsubo (approx. 529,000 square meters) of new land to maintain stable pipelines. Their locations are as wide-ranging as Kyushu, Tohoku, and Hokkaido. Improving the efficiency of logistics through 3PL is accelerated

Operational Floor Area of Logistics Facilities (as of December 31, 2024)

1,085,473 tsubo (3,588,335 m²)

Floor Space Expansion in FY2024

117,273 tsubo (387,679 m²)

Operational Floor Area of Logistics Facilities (as of the end of FY2024)

Timing	Types	Start of operation	Name	Operating/development	Operational floor area (tsubo)	Operational floor area (m²)
	By the end of Dec. 2023				968,200	3,200,656
In-house development	Feb		Noda Seto Logistics Center Building A	SBS Ricoh Logistics, SBS Logicom, SBS Holdings	43,800	144,793
	May		Kashiwashonan Warehouse	SBS Toshiba Logistics	8,706	28,780
	May		Totsuka Warehouse	SBS Toshiba Logistics	5,223	17,266
	Jun		Shigakonan Branch	SBS Logicom	13,326	44,053
	Aug		Distribution Center Yokohama-Fukuura	SBS Ricoh Logistics	17,167	56,750
	Sep		Atsugi Low Temperature Distribution Center	SBS Flec	4,300	14,215
	Oct		BC Kawasaki-Takatsu	SBS Ricoh Logistics	3,042	10,056
	Nov		Distribution Center Yao (tentative name)	SBS Ricoh Logistics	7,991	26,416
	Others		(Incremental floor space less than 3,000 tsubo and cancellation)	SBS Group	13,718	45,349
FY2024 Results					117,273	387,679
Area under management (end-Dec. 2024) <sup>*1</sup>					1,085,473	3,588,335
Rent	Jan		(M&A consolidation)	SBS NSK Logistics	7,166	23,689
	Mar		Nanko First Branch	SBS Logicom	3,140	10,380
	Mar		Kawasakiminami Branch	SBS Logicom	10,000	33,058
	Apr		(M&A consolidation)	Blackbird <sup>*3</sup>	31,157	103,000
	Apr		North Kanto Branch (Natori Warehouse)	SBS Toshiba Logistics	3,548	11,729
	Apr		BC Kumamoto (tentative name)	SBS Ricoh Logistics	3,133	10,357
	Others		(Incremental floor space less than 3,000 tsubo and cancellation)	SBS Group	2,221	7,342
Plans to open in 2025					60,365	199,553
In-house development Development site <sup>*2</sup>	Aug		Tomisato Distribution Center (tentative name)	LMAX	34,000	112,397
	Under development plan		Building B, Seto, Noda	SBS Asset Management	34,000	112,397
			Tokorozawa Land A/B	SBS Logicom, SBS Sokuhai Support	11,000	36,364
			Yokoshibahikarimachi Land	SBS Logicom	60,000	198,347
			Kasumigaura City Land	SBS Logicom	20,000	66,116
			Chikushino	LMAX	28,000	92,562
			Nasu	LMAX	10,000	33,058
			(Small-scale land)	SBS Group	600	1,983
Plan for development from FY12/26 (pipeline inventories)					167,960	555,239
Potential operating area (result + plan)					1,313,798	4,343,127

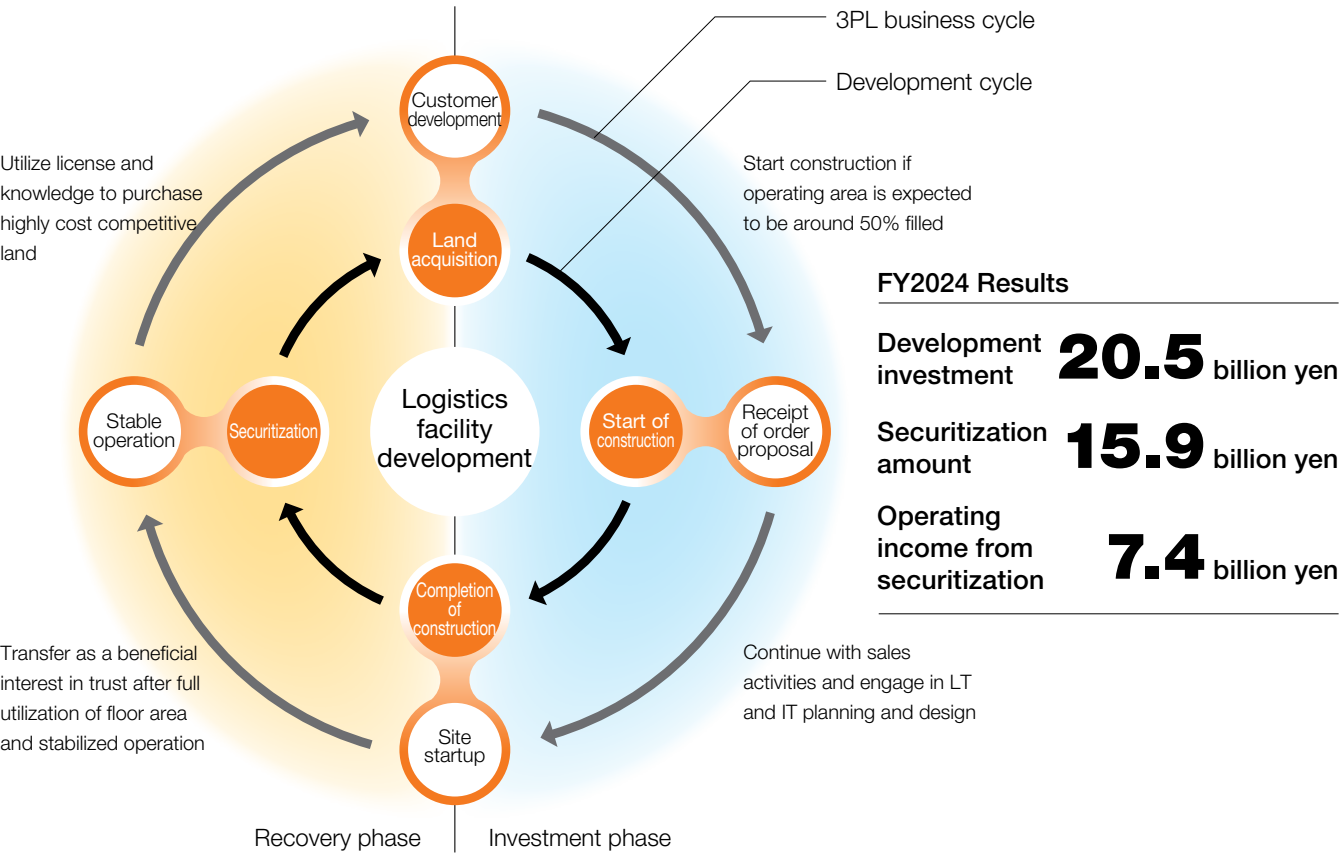
\*1 Operational floor area refers to the effective area for operating logistics business. This is different from the total floor area under the Building Standards Act.  
\*2 The areas of individual properties in "Development land" are to tal floor areas (rough estimations) under the Building Standards Act. The total area is the area expected to be used as the operating area (85% of the total floor area) from the total floor area of the individual details.  
\*3 Blackbird's operating area includes warehouse of 8,470 tsubo (28,000 m²) owned by the company.

by the development of logistics technologies (LT). Through proactive investment in LT and IT, the SBS Group is making progress in updating and redesigning the entire logistics systems it operates. Through the introduction of the latest technologies including robots and AI systems, logistics facilities are the basis for a new generation of 3PL services. We are concentrating on increasing and updating our operating vehicles, innovating our management techniques, developing and reorganizing 3PL-related organizations and continually investing in human resources responsible for implementing 3PL.

Cash Management System Utilization

The main working capital of the SBS Group is sales cost including vehicle hire, outsourcing expenses and personnel expenses, and operating expenses including selling, general and administrative expenses. Additionally, demand for funds aimed at investment includes routine vehicle upgrades, the acquisition of shares in subsidiaries and affiliate companies, the acquisition of land associated with logistics facilities developed in-house, the costs of construction work, capital investment, and so on. The SBS Group procures the funds required for the entire Group in a centralized fashion through its holding company. In addition to receiving lines of credit from multiple banks so that working capital can be secured flexibly, the SBS Group also procures long-term funding in a systematic fashion to address the capital demand for the purpose of investment. The procured funds are put to the best and most effective use within the Group through a cash management system. Specifically, this system adjusts funding surpluses and shortages between subsidiaries (cash pooling) and performs payment operations on their behalf.

SBS' Unique Logistics Facility Development Model



Noda Seto Logistics Center Building A Four aboveground floors, with a total floor area of 166,385.59 m² (50,331.64 tsubo)

This logistics center is the Group's largest logistics site and the first multi-tenant warehouse jointly operated by SBS Group companies. Conveniently located within four kilometers of the Kashiwa IC of the Joban Expressway, this facility provides easy access to the Tohoku region and also the entire Kanto region. It is equipped with a dry warehouse, hazardous material storage, and freezers and refrigerators, which enable the facility to fulfill a wide range of needs. In the warehouse, logistics technology (LT) equipment, including automatic guided vehicles (AGVs), has been fully introduced in pursuit of automation and labor reduction. It also has 8,200 solar panels installed on its roof, which make it possible to source all of the power consumed in the day time from renewable energy. One of the building's floors (approx. 10,000 tsubo/approx. 33,000 square meters) is the EC Noda Seto Logistics Center, the first strategic base of the Group's EC Platform Business. It is a shared use center where e-commerce (EC) business operators can utilize logistics robots and material handling. The EC Noda Seto Logistics Center has three temperature zones and is able to store things at constant temperatures as well as room temperature. It also has equipment for handling meticulous distribution processing, a pharmacy and a photography studio, offering a service menu that includes more than 200 operations for EC businesses, in addition to supporting sustainability. It offers various benefits to customers in a wide range of industries, including the apparel, food, cosmetics, health food, pharmaceuticals, and general merchandise industries.





The SBS Group makes it possible for each Group company to cooperate while demonstrating their individual strengths. Through this, the Group pushes forward with its non-consecutive growth strategy integrated with its organic growth strategy, aiming to increase its competitiveness.

Creating an environment where each Group company can fully demonstrate its capabilities

The SBS Group, which is administered by SBS Holdings, consists of 41 consolidated subsidiaries (22 domestic and 19 overseas subsidiaries) as of the end of 2024. This is a result of M&A activities which have been a core growth driver. They have been implemented continually since SBS Holding's listing in 2003.

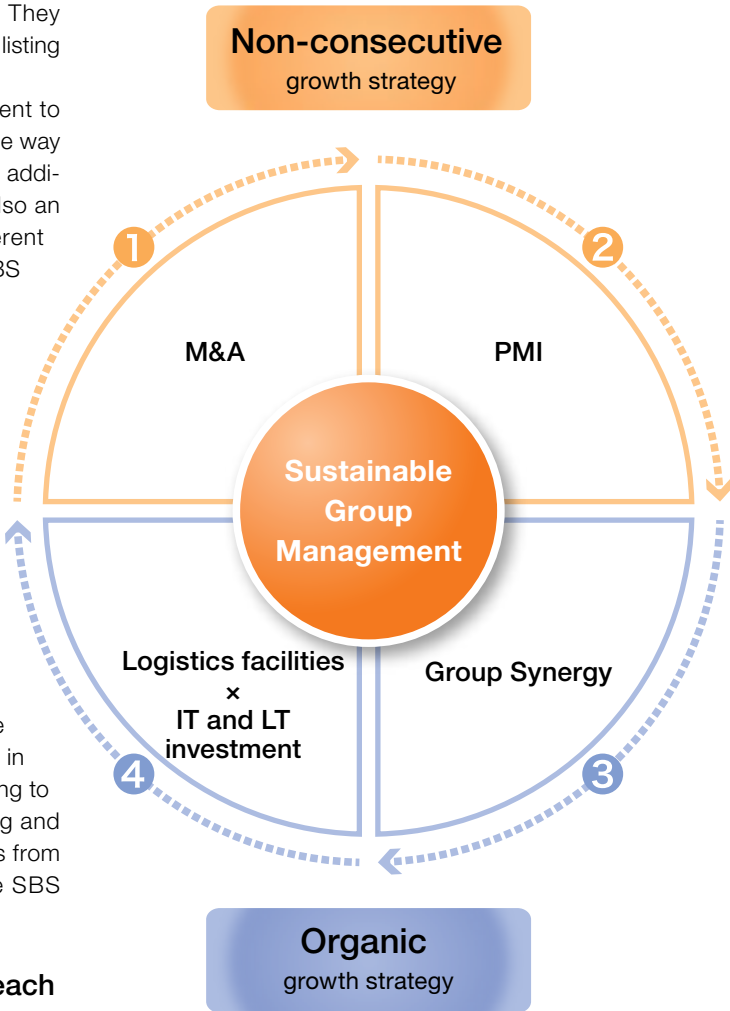
The SBS Group believes that the support and investment to develop the strengths of each Group company paves the way toward the creation of medium- and long-term returns. In addition, the encouragement of horizontal cooperation is also an essential part of enabling Group companies with different characteristics to fully demonstrate their capabilities. SBS Holdings offers a major direction, and at the same time, it has established an environment that facilitates beneficial cooperation between Group companies through initiatives including interactions at head office spaces, the integration of mission-critical systems, and the implementation of Group-wide projects.

Initiatives of three core SBS Group companies

Among SBS Group's companies, three companies, SBS Toshiba Logistics, SBS Ricoh Logistics, and SBS Logicom, are outstanding in terms of net sales. They account for 67% of the Group's total consolidated net sales. All of them have experience serving as the logistics arm of major enterprises, while they took a step in a new direction by joining the SBS Group. They are acting to move to the next stage of their businesses by activating and working with each other. This report includes messages from the top managers of two companies that joined the SBS Group in 2018 and 2020.

Growth drivers that work organically with each other

The SBS Group pursues non-consecutive growth and organic growth in parallel. We will expand the scale of the general logistics business, increase the number of leaders in it, increase cooperation through post-merger integration (PMI), and, further, create Group synergy. This process is accelerated by the development of logistics facilities which are the infrastructure of business, the introduction of LT and IT, and the development of structures and projects to enhance sales capabilities. In other words, the Group has four drivers of its growth strategies that work organically with each other.



SBS Toshiba Logistics



**[Results]** (FY2024)  
• There were delays in the recovery of cargo movements in ultra-heavy goods and semiconductors. There are concerns that changes in the capital composition of major customers will impact the Group in the future.  
• While there was a recovery in the results related to home appliances and medical devices, the slumping semiconductor market and the cost of opening new sites became a burden, resulting in a failure to achieve the plan. In the meantime, we accelerated investments in initiatives for future growth, including the reform of the sales structure, warehouses, and DX.  
**[Outlook]** (From FY2025 onward)  
• We will shift smoothly to a new organizational structure and work to improve the profitability of new sites and the rationalization of fees, aiming for a V-shaped recovery. We have the medium-term target of net sales of 200 billion yen.

SBS Ricoh Logistics System



**[Results]** (FY2024)  
• Cargo movements in office-related products in Japan remained sluggish. There was a recovery overseas due to higher cargo volumes and the revision of freight rates.  
• We entered new lines of business but had a hard time launching them. Operating income fell short of the plan, with losses not fully absorbed by office supply-related logistics and other operations that were strong.  
**[Outlook]** (From FY2025 onward)  
• We will strengthen sales activities, aiming for the full utilization of the floor area of the new site in Kansai (Yao-shi, Osaka) that was opened in the previous year. Our policy is to bring unprofitable sites, including other newly opened sites, into the black by taking measures such as eliminating vacant space and rationalizing charges.

SBS Logicom



**[Results]** (FY2024)  
• The customer base includes diverse industries and lines of business. We compensated for weak results in retail and other fields with results in other fields that were strong.  
• The Noda Seto Branch (in the Noda Seto Logistics Center) began operating and achieved profitability at an early stage. Operating income of the company as a whole fell slightly short of the plan, but we achieved the year-on-year growth of sales and profit.  
**[Outlook]** (From FY2025 onward)  
• We will proactively improve the quality of logistics and secure human resources, in addition to the enhancement of our sales capabilities, to achieve the sustainable growth of sales and profit. We aim to achieve 100 billion yen in sales at an early stage.

We will hone our proposal and sales capabilities and move toward our next stage as a logistics company.

Yasushi Kanazawa

SBS Toshiba Logistics Corporation  
Representative Director, President & COO



Since we became a member of the SBS Group, we have been learning new things and discovering new possibilities on a daily basis. In this environment, where our unique characteristics are respected and leveraged, we will steadily hone our strengths and strive to achieve the growth of our business from a long-term perspective. These efforts ultimately lead to the growth of the SBS Group.

The unique characteristics and strengths we have gained as a manufacturer logistics company

In October 1974, our predecessor, Toshiba Logistics, was established as a logistics subsidiary of the company that was called Tokyo Shibaura Electric at that time, and the products it handled expanded from home appliances to heavy electric machinery, parts and materials, and semiconductors. In November 2020, fate would have it that we became a member of the SBS Group, beginning a new page of our history. While many different companies work on manufacturer logistics, we took pride in our policy of delivering a wide variety of products to end users with high quality and at low cost—not just transporting them. This requires comprehensive consideration of the entire system for procuring materials and parts and for storing and transporting intermediate and final products. From this perspective, we begin discussing issues with the customer starting from the product planning or design phase. This has always been the style we have operated in. Proposal capabilities had become our strength before we realized it. Internationality is also one of our characteristics. When Toshiba built or moved its manufacturing site overseas, we also entered those countries, establishing local subsidiaries and working together with Toshiba to build and operate a logistics network. I believe our employees may have had some concerns about joining the SBS Group. However, Mr. Kamata, the SBS Group's Representative Director, was warm and encouraging. He said the SBS Group valued our unique characteristics and that they had never and will never restructure their business, and he

showed us the policy for the expansion of the business. This positive stance enabled all of our employees to feel very positive about the merger. Now, we can proudly call ourselves SBS Toshiba Logistics, the new name of the company.

Evolving approach: From 3PL to 4PL

The term fourth-party logistics, 4PL, is a concept that was built based on our approach of working on customers' logistics reforms for them. Reflecting the purpose of our establishment, we have been working as an external operator to whom manufacturers, our customers, entrust all of their logistics operations. In other words, we have been working on third-party logistics (3PL). By working to provide support starting in a more upstream phase, we can play an even more strategic role. We have been calling this 4PL in the sense that it is an evolved form of 3PL. Now, 4PL is a common term used within the SBS Group. In 4PL logistics services, when the customer is a manufacturer, we analyze important aspects related to the efficiency of the entire value chain, such as the procurement of parts using a warehouse management system (WMS), product packaging design, and warehousing after shipment from the factory, including overseas warehousing, to comprehensively optimize the system. When our customer is a trading company, we provide detailed proposals regarding the global allocation of products procured by the company, including methods of transportation. To achieve the highly difficult tasks of the overall optimization of logistics and the reduction of total cost, we accumulate expertise and create diverse examples of on-site

improvements, preparing every day to provide better support. Having joined the SBS Group, we have many opportunities to absorb broad expertise in areas of logistics that we have previously had no experience with. In addition, economies of scale have made it possible to arrange containers moving internationally for fees that are advantageous for customers. Further, we are now more able than ever before to more proactively and strategically invest in logistics infrastructure, including warehouses. These advantages have greatly energized our efforts to elevate our 4PL services and our services as a whole.

The landscape has begun to change

Looking back on the days before we joined the SBS Group, I feel that we had a limited view as a logistics company. I have been focusing on the fundamental question of how we can increase sales and generate a profit as a logistics company. We are still halfway there, but there are areas where we are seeing promising results.



This is our evolution into a logistics company which caters to a wide range of society's needs. Because the name of our company includes the name of the manufacturer that we originated from, it was inevitable that people would have the preconception that we transport the products made by that company. However, the range of customers approaching us has been steadily widening, as business relationships have naturally expanded from existing ones and our proactive sales activities have begun to bear fruit. The number of opportunities we have to receive inquiries via our website and to propose solutions has also been increasing. It's likely that the increase in the SBS Group's visibility, which has resulted in trucks with the SBS name on them being seen nationwide, has also built a foundation that facilitates our sales activities.

At the same time, there are policies that I want to continue to observe as a manager. One is to continue to value the customers who have supported our development. Another is to maintain an uncompromising stance on safety and quality so that we are trusted. A third is to work to remain recognized as a long-term partner. These are what we should consider to be the core of SBS Toshiba Logistics. Beyond this new landscape that we are seeing lies our development as a logistics company and the growth of the SBS Group.

Towards the next 50 years

We celebrated our 50th anniversary in 2024, and we have already started our journey towards the next 50 years. The path to follow is clearly in sight. We will sincerely persevere in our efforts to live up your expectations.

The advantages we gained by joining the SBS Group have greatly boosted our efforts to elevate our 4PL services and all of the services we provide.

History of SBS Toshiba Logistics

1974	Established as a wholly owned subsidiary of Tokyo Shibaura Electric Co., Ltd. (currently Toshiba Corporation) with capital of ¥2 billion.
1977	Merged with Toshiba Transportation Kogyo Corporation resulting in a capital of 2,128 million yen.
1983 to 2000	The following divisions are transferred to the company one by one from Toshiba and Toshiba Group companies. <ul style="list-style-type: none"><li>• Heavy electrical logistics</li><li>• Industrial electronics and materials logistics</li><li>• Semiconductor logistics</li><li>• Logistics divisions of regional home appliance sales companies of Toshiba across Japan</li><li>• Packaging technology</li><li>• Overseas transportation</li></ul>
2014	The company merges with Toshiba Logistics Consulting Co., Ltd.
2020	The company joins the SBS Group.
2021	The name of the company is changed to its current name.
2022	The head office is relocated to Nishi-shinjuku, in Shinjuku-ku



We will continue to improve our ability to leverage LT x IT to evolve into a 3PL company that caters to a wider variety of needs.

Katsuhisa Wakamatsu

SBS Ricoh Logistics System Co., Ltd.  
Representative Director & President



We have honed the abilities that we cultivated as a subsidiary of a precision equipment manufacturer, improving them to increase their versatility as we learn from companies that have been members of the SBS Group longer than us. We will enhance these strengths in this new environment and provide valuable 3PL services around the world to play our role in the SBS Group.

Improvement capabilities which leverage technological knowledge

In 1964, we took charge of the Ricoh Group's logistics operations as a functional subsidiary of Ricoh, a precision equipment manufacturer. We have been working on production logistics, which are connected to factories and procurement, sales logistics moving cargo from warehouses to stores and end users, and international trade logistics linking overseas factories to consumption areas. We have transported many major large products, including

photocopiers, and small products such as office supplies, including toner cartridges. Because we were a part of a precision equipment manufacturer, we acquired factory-related knowledge including knowledge about process design, labor- and space-saving methods, automation, mechanization, and the introduction of devices. We accumulated expertise in logistics technologies (LT). Additionally, from an early stage, we focused on the possibility that machine learning, in the form of deep learning, would change logistics services. We proactively implemented initiatives to introduce AI, including conducting research to streamline inspections. This ability to improve logistics by leveraging our deep knowledge of LT x IT has remained our unquestionable strength even after we joined the SBS Group in 2018.

In joining the SBG Group, I was somewhat constrained by the framework of an acquirer and a company being acquired. However, Mr. Kamata, the SBS Group's Representative Director, treated us warmly. He met us on equal footing, and his stance was that the SBS Group was happy to be joined by a corporate group engaged in the logistics business. I believe that partly because of this stance, we were able to work as one with a shared positive mindset, motivated to achieve growth by learning from the companies that have been in the Group longer than us.

Profound knowledge gained within the SBS Group

The SBS Group companies' head office functions are consolidated in an office building in Nishi-shinjuku (in Shinjuku-ku,

Tokyo), which enables the management teams of the individual companies to closely interact. Therefore, we are highly privileged to be in an environment that facilitates mutual learning between the Group companies. In truth, we did benchmarking with the SBS Group based on the information we could obtain as an external party. However, we found that the management information we have been able to share as a member of the SBS Group was an order of magnitude more detailed. Take products handled, for example. Before joining the SBS Group, we were proud of the wide variety of products we handled, but after we joined the Group, we were made painfully aware of how extremely limited this variety was. This is because of the temperature of products. While all photocopiers and office supplies are kept at room temperature, food items, which are the main products handled by Group companies SBS Flec and SBS Zentsu are kept in three temperature zones (refrigerated, frozen and room temperature), with completely different storage facilities, methods and control items. We also found that the diversity of products' sizes, from small to large, was much greater than what we had been handling. Our knowledge of these differences has led us to reaffirm the depth of logistics and to improve. We are also gaining many opportunities to learn many specific things and improve the services we provide to customers.

Further enhancing the overall strength of the Group

Until the first half of the 2000s, warehousing companies, transportation companies, and logistics companies took an individual approach to their businesses, making the best professional decisions in response to specific requests from customers in need of storage or transportation services. From the middle of the 2000s onward, there were an increasing number of cases where a wide range of logistics functions were required in combination with each other and adjusted to comprehensively meet the needs of the customer. Mr. Kamata often says that eliminating air (empty space) in warehouses and transportation vehicles and improving the labor utilization rate are important in logistics. I believe that in the logistics industry today it is becoming increasingly important to have the ability to work on these three tasks comprehensively. There have also been growing expectations regarding our proposal capabilities in the area of streamlining storage and transportation, reflecting the increasing diversity of delivery dates and required warehouse areas in addition to the increasingly diverse types and sizes of products. In this environment, the role of general logistics companies that are able to cater to the needs of customers by providing one-stop services should be to propose the optimal warehouses, transportation vehicles, staff deployment, and other matters. There are many logistics companies, but the overall strength that the SBS Group has succeeded in acquiring enables it to more than meet a wide range of complicated needs.

To enable the SBS Group to develop in the future, it is essential that the Group companies hone their strengths and cooperate and collaborate to multiply these strengths. A major key to this lies in our expansion of 3PL services globally, including Europe, the Americas, and Asia, not to mention Japan. We would like to contribute to the future of the Group by fully leveraging and further enhancing our foundation and network for logistics services that we have developed globally.

Evolving into a next-generation 3PL company

We will change the name of our company to expand our business even more comprehensively and globally as a member of the SBS Group. Our new name will be Nextthird, derived from next 3PL, reflecting our enthusiasm. We plan to make a new start in January 2026. Please look forward to our bravely taking on challenges and our evolution.

The things we have learned since joining the SBS Group have led us to reconfirm the depth of the logistics field and to improve.

History of SBS Ricoh Logistics

1964 to 1994	San-ai Transport Co., Ltd. is established. Offices and logistics centers opened in various parts of Japan.
1995	The company wins an encouragement prize in the 1995 Logistics Grand Prize for the introduction of information systems at its international logistics center.
1995 to 2000	Offices opened in Hong Kong, the United States, and Europe.
2002	Receives the Logistics Environmental Conservation Award in the 3rd Logistics Environment Grand Prize for its development
2018	The company joins the SBS Group.
2020	SBS Logistics (Thailand) Co., Ltd. becomes an affiliated company.
2022	SBS Vietnam Co., Ltd. Hanoi Office opened SBS Global Network and EMC become affiliated companies. The head office is relocated to Nishi-shinjuku, in Shinjuku-ku
2023	Ricoh International Freight Agency (Shenzhen) Co., Ltd. Qianhai Branch established

Uncertainty in the management environment for logistics business operators has increased due to a fluctuating international climate, trends associated with the global environment, and other factors. The SBS Group takes a broad view in identifying risks to watch out for, analyzes the nature and impact of these risks and endeavors to manage them effectively.

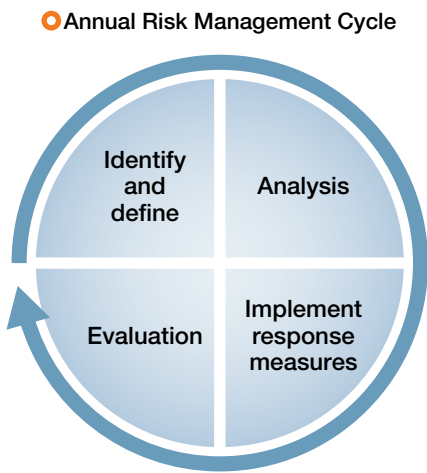
Risk Management Policy and System

The SBS Group has established the SBS Group Risk Management Regulations and endeavors to manage all risk events that could pose threats to management activities. In addition to risks whose effects are immediately apparent, risks we determine should be addressed from a medium or long-term perspective are also subject to management. We have also established the SBS Group Risk Management Council, comprising members selected from SBS Group companies, to ensure that risk management is continually implemented on a Group-wide basis. At meetings generally held twice a year, the council separates risks into Group wide risks and risks affecting individual Group companies, monitors the status of measures to deal with each risk, and strives to prevent risks from occurring or minimize the damages that occur in the event of an emergency.

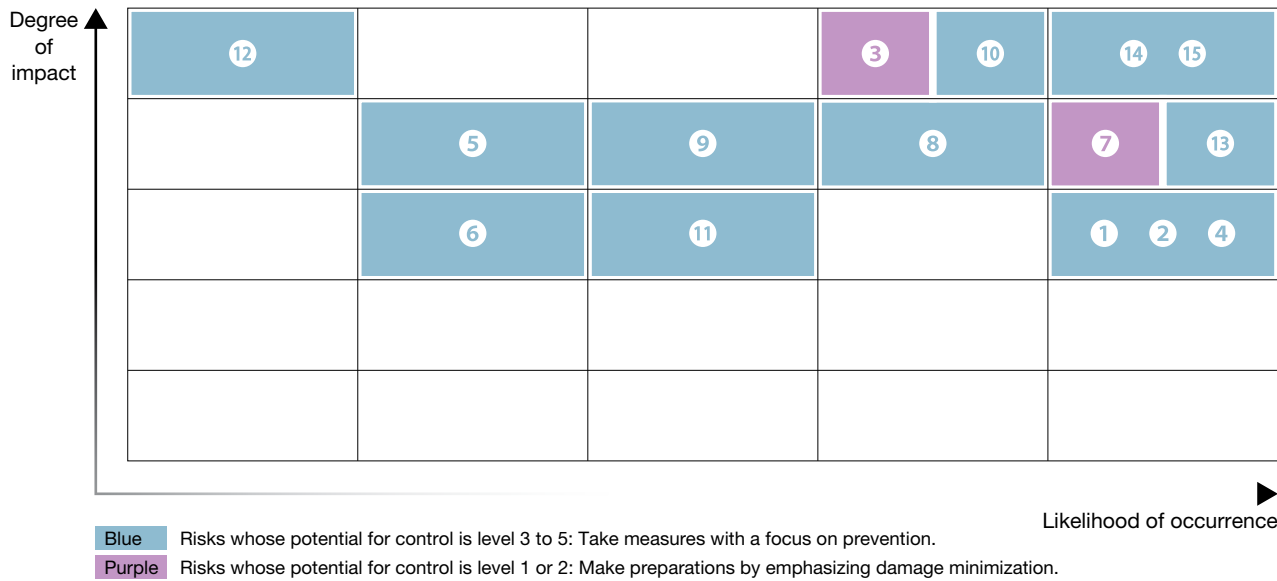
The Risk Management Process

SBS Holdings and each Group company start by identifying the risks to be handled by each department. Next, factors including the likelihood of occurrence, impact and potential for control are carefully examined and analyzed for each risk. We then implement response measures and work to prevent or minimize damages and losses due to risks.

The SBS Group Risk Management Council receives reports from SBS Holdings and Group companies to verify and evaluate the implementation status and effectiveness of the measures taken to address risks. The results of the evaluation are reported to the SBS Group Sustainability Promotion Committee for approval. This cycle is repeated annually in an effort to not only ensure that existing risks are being appropriately handled, but to respond quickly to newly emerging risks.



Risk Map (as of June 2025)



Management Status of Major Risks

Risk	Overview	Effect	Response Status
1 Risks due to changes in economic conditions [Short-term] Likelihood of occurrence: 5 dots, Degree of impact: 3 dots, Potential for control: 3 dots	The businesses operated by the SBS Group are affected by economic and business trends in Japan and overseas, and by fluctuations in transportation demand among enterprise customers.	In the event of sluggish consumption due to a domestic economic contraction, a fall in import/export volumes triggered by a sharp appreciation of the yen or a serious contraction in an overseas economy, a reduction in the number of orders received or downward pressure on transportation fees could occur.	Promotion of business diversification Diversification of risks by expanding business partners Promotion of an enhanced and optimized business portfolio in conjunction with the above measures Streamlining sales activities and operations through intra-Group coordination
2 Risks due to sharp rises in fuel prices [Short, Medium and Long-term] Likelihood of occurrence: 5 dots, Degree of impact: 3 dots, Potential for control: 3 dots	The use of fuels such as light oil and gasoline is essential in the logistics business. But when fuel prices increase due to steep rises in crude oil prices or fluctuating exchange rates, they represent a factor that increases costs.	It may not be possible to change transportation charges to reflect higher-than-expected fuel prices and equivalent increased costs due to sharp rises in global oil prices or the effects of currency exchange markets.	Creation of budgets that incorporate fuel price fluctuations (predictions) by keeping close watch on market trends Group joint purchasing Switching to logistics services with higher fuel efficiency through the adoption of eco-driving practices, the phased introduction of next-generation vehicles, and other measures
3 Risks due to a worsening financial environment [Short and Medium-term] Likelihood of occurrence: 4 dots, Degree of impact: 5 dots, Potential for control: 2 dots	In implementing M&A activities as an important growth strategy and developing logistics facilities to promote the 3PL business, we primarily procure funding through loans from financial institutions, and a worsening of the financial environment could be a factor in rising costs.	Difficulties in obtaining funding for strategic investments, or increased interest rates to finance loans could occur. In addition, depending on the degree to which the environment deteriorates, some of the financial covenants attached to loans could be violated.	Paying down interest-bearing debt through the securitization of logistics facilities and operating cash flow Smart arrangements in securing funds (fixing of interest rates, etc.) Diversification of funding methods
4 Risks due to M&A activities [Short and Medium-term] Likelihood of occurrence: 5 dots, Degree of impact: 3 dots, Potential for control: 4 dots	When expanding its existing businesses and entering new fields of business, the SBS Group implements M&A activities, capital participation and capital tie-ups as part of its business strategy. There is a risk that these activities might not go as well as initially planned.	Due to unexpected circumstances, the progress of a business plan following an acquisition or tie-up could be significantly delayed compared with initial forecasts.	Thorough due diligence conducted in advance Careful arrangements with the top management of the company to be acquired Systematic implementation of post-merger integration (PMI) * Even in the cases of capital participation or tie-ups, similar action is taken
5 Risks due to the real estate business [Short and Medium-term] Likelihood of occurrence: 2 dots, Degree of impact: 4 dots, Potential for control: 4 dots	The key activities of the SBS Group's Property Management Business are the development of real estate such as logistics facilities, and the provision of that real estate (through sale or leasing) to customers. If we are unable acquire customers who will use the developed real estate according to our plans, it could be a factor in declining sales and profits. In addition, there may be cases in which the posting of sales and profits is delayed or is disproportionately allocated to certain time periods due to the timing of when an order for a logistics facility is received, the scale and specifications of the project, or the timing for completion or sale.	The impact on sales and profits when customers cannot be acquired as planned could be non-negligible, depending on the investment amount. Additionally, the same would apply if the sales and profits were skewed towards certain time periods or delayed.	Development of logistics facilities predicted on securing customers *We begin construction work on facilities after determining tenant consignors and sales destinations, as well as factors such as intended use, specifications, rent and rental period Detailed development schedule management Preparation of schemes to securitize developed logistics facilities



Management Status of Major Risks

Risk 	Overview 	Effect 	Response Status 
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6 Risks due to legislative changes

[Short and Medium-term]	
Likelihood of occurrence	●●
Degree of impact	●●●
Potential for control	●●●●●

The SBS Group's operation is affected by various laws and regulations, and changes to these laws and regulations in response to changing social conditions. In our core logistics business, for example, various business laws related to logistics apply to cargo vehicle transportation operations, warehousing services and customs brokerage. In the property management business, the Building Standards Act and Financial Instruments and Exchange Act play a part, and in personnel support, the Worker Dispatch Act must be followed.

New cost burdens could be imposed, or changes could be required in business expansion due to systems being revised, strengthened or subjected to a different interpretation based on related laws and regulations changing in line with changing social conditions.

Collecting information through industry groups and other organizations  
Preparations and measures (including support for business partners and affiliate companies) in anticipation of legislative changes

7 Risks due to natural disasters and other incidents

[Short, Medium and Long-term]	
Likelihood of occurrence	●●●●●
Degree of impact	●●●●●
Potential for control	●●

The business activities of the SBS Group revolve around truck-based transportation and the operation of logistics centers, and these operations are susceptible to natural disasters, anthropogenic disasters, and other incidents. In particular, the SBS Group has situated many logistics sites in the Tokyo metropolitan area to cater to robust logistics demand in that region, and if the Tokyo metropolitan area were affected by a disaster or similar event, it would have a significant impact on the SBS Group.

When an event such as a major disaster occurs, SBS Group operations could be cut off and the Group may be unable to provide some or all of its logistics services, due to damage to consignor companies or Company facilities, disruption or cutting off of transportation networks, and the shutdown of lifelines.

Anticipating the state of damage and preparing response measures through the formulation of business continuity plans (BCP)  
Periodic implementation of training to prepare for major disasters and other incidents  
Ensuring the earthquake resistance of the main buildings used for projects  
Decentralization of major business sites to the extent possible

8 Risks due to pandemics

[Short and Medium-term]	
Likelihood of occurrence	●●●●●
Degree of impact	●●●●●
Potential for control	●●●

When an outbreak of a serious infectious disease occurs, the SBS Group businesses would be forced to take measures not usually implemented to prevent the spread of infections, and if the situation worsened, it could even threaten continued operations.

The outbreak of an infectious disease causes various restrictions on the business activities of the SBS Group. Taking measures to prevent infectious causes higher costs.

Thorough hygiene management for business sites and vehicles  
Thoroughly ensuring that employees take steps to prevent and stop the spread of infection based on national government guidelines

9 Risks due to serious incidents

[Short-term]	
Likelihood of occurrence	●●●
Degree of impact	●●●●●
Potential for control	●●●●●

As the SBS Group uses public roads to transport customers' products and goods by truck and other vehicles, there is always a risk of traffic accidents.

If a major accident in which many people's lives are lost occurred, the Company could be sued by the victims, suffer a decline in credibility among customers and society, or be subjected to action imposed by authorities, such as being suspended from operating vehicles or conducting business.

Continued operation of SBS Group-wide transportation safety management under the SBS Group Transportation Safety Promotion Meeting  
Promotion of transportation safety based on the three pillars of education and awareness-raising, accident prevention, and safe driving/operation management

10 Risks due to system shutdowns

[Short and Medium-term]	
Likelihood of occurrence	●●●●●
Degree of impact	●●●●●
Potential for control	●●●●●

The SBS Group utilizes computers and networks for a range of applications from business systems to manage customers' cargo information, warehouse control and customs processing to in-house systems that handle accounting, staff, salaries and other operations. There is a risk of these systems failing or operating incorrectly due to malfunction, computer viruses, cyber-attack, natural disasters or other incidents.

If any of these systems were to fail due to malfunction, computer viruses, cyberattack, natural disasters or other incidents, the provision of services to customers and business partners may be interrupted, business processing may be delayed, or operations could be thrown into confusion. There is also a risk of causing unintentional damage to a third party.

Promotion of Group-wide security measures, training and awareness-raising under the SBS Group CSIRT Meeting  
Strengthened defenses with AI-based anti-virus tools and next-generation firewalls  
Enhanced monitoring and checking functions through security operation center (SOC) service  
Third-party verification

Risk 	Overview 	Effect 	Response Status 
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11 Risks due to the leaking of customer information

[Short and Medium-term]	
Likelihood of occurrence	●●●
Degree of impact	●●●
Potential for control	●●●●●

The businesses conducted by the SBS Group involve handling large amounts of customer information, including personal information, and there are potential risks of the leaking of customer information or the destruction of data.

If an incident such as the leaking of customer information or destruction of data were to occur, the trust earned from customers could be lost, and the incident could affect the Group's business performance and financial situation.

Clearly establishment of the proper management of customer information in corporate ethics regulations  
Continued implementation of measures ensuring the proper management of customer information and personal information as part of information security management

12 Risks due to compliance issues

[Short and Medium-term]	
Likelihood of occurrence	●
Degree of impact	●●●●●
Potential for control	●●●●●

The SBS Group conducts its business activities based on laws related to the logistics business and a wide range of rules and social norms. Infringements of these requirements in any way could have a serious impact.

In the event of an infringement of related regulations or improper conduct on the part of an officer or employee, the SBS Group could suffer the loss of social credibility, suspension of business from customers, or claims for costly monetary penalties or compensation.

Establishment of the SBS Group Code of Behavior and SBS Group Compliance Regulations  
Conducting awareness-raising activities, monitoring, confirming and investigating compliance violations and driving improvements, primarily through the SBS Group Compliance Meeting in which Group companies take part  
Distribution of awareness-raising tools and periodically conduct awareness surveys

13 Risks due to overseas expansion

[Short and Medium-term]	
Likelihood of occurrence*	●●●●●
Degree of impact*	●●●●●
Potential for control*	●●●●●

While the SBS Group has worked to expand its business overseas to ensure continued growth into the future, those businesses are affected by conditions in the countries and regions in which we operate.

There are possibilities of changing economic conditions, recessions, exchange rate fluctuations, political or legislative changes, and social unrest due to terrorism, war or disease, in addition to trouble stemming from a lack of understanding of the local culture or international standards, and matters in conflict with international norms, standards or guidelines.

Ongoing collection and analysis of information concerning the countries and regions in which we operate  
Ensuring alternate means during an emergency  
Identifying reliable business partners

14 Risks due to the acquisition and development of human resources

[Medium-term, Long-term]	
Likelihood of occurrence	●●●●●
Degree of impact	●●●●●
Potential for control	●●●●●

The SBS Group recognizes the importance of human resources and focuses on hiring activities, education and training, but there is intense competition to continually secure the necessary human resources, and such efforts may not proceed as planned.

If we are unable to secure human resources in a timely fashion, experience a large exodus of human resources to elsewhere or if the development of human resources does not proceed according to Group plans, our business development, operating results or growth forecasts could be significantly impacted.

Proactively hiring talented human resources without drawing distinctions between graduate or mid-career hires  
By conducting various training for all employees of Group companies based on the basic policy on human resource development, supporting skill improvement and career development  
Promotion of diversity and the development of a comfortable workplace  
Phased improvements to employee benefits

15 Risks due to climate change

[Medium-term, Long-term]	
Likelihood of occurrence	●●●●●
Degree of impact	●●●●●
Potential for control	●●●

Because of climate change, stepped up restrictions on CO<sub>2</sub> emissions may be pursued based on international agreements, and carbon pricing may be introduced. Other incidents may also occur, including flooding damage to business sites in coastal areas due to rising sea levels, disruption or interruption of transportation networks due to wind damage, water damage or heavy snowfall, impacts due to supply outages for lifelines such as electricity and water, and health hazards to employees due to abnormal weather (heat stroke, etc.).

Changes in the environment surrounding the markets or systems will produce factors that increase business expenditures, such as higher prices for CO<sub>2</sub> emissions and costs to transition to low-emission technologies. In addition, physical impacts may cause damage to business assets or reduce operational capacity.

Promoting systematic business strategies and environmental strategies based on a low-carbon approach  
Strengthening environmental management systems  
Stockpiling for emergencies  
Enhanced disaster response management

\* Both the likelihood of occurrence and the degree of impact levels were raised by one point reflecting the fact that the Group has entered a new stage of overseas expansion. At the same time, measures are being taken to increase the potential for control level.

Responding to global climate change is one of the Sustainable Development Goals (SDGs), and since the Paris Agreement took effect on November 2016, efforts have been underway around the world. Japan is no exception. In October 2020, the government declared that Japan would achieve carbon neutrality by the year 2050, making action on climate change even more important. Based on the recognition that action on the issue of climate change is an important challenge both for corporate value and the development of a sustainable society, the SBS Group announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in December 2022, and has been promoting its climate response actions in accordance with the recommendations, as detailed below.

Governance Structure for Climate-related Issues

The SBS Group has established the Sustainability Promotion Committee as its axis of sustainability management. The committee, which is also an advisory body to the Board of Directors, convenes once a month, engages in the drafting of sustainability strategies and action policies, monitors KPIs and the status of coordination in activities within the Group, and refers matters requiring a decision to the Board of Directors. The representative director of SBS Holdings chairs the committee, whose members comprise SBS Holdings directors and executive officer, as well as the representative directors of SBS Group companies. In addition, the Sustainability Promotion Department serves as the administrative body for the committee.

We have established five meeting bodies as subordinate bodies under the committee, namely the Risk Management Meeting, Compliance Meeting, Environmental Management Promotion Meeting, Transportation Safety Promotion Meeting and CSIRT Meeting. These meeting bodies draft and implement measures in their respective areas of responsibility based on the action policy set by the committee. The Sustainability Promotion Department performs administrative duties for the Risk Management Meeting, Compliance Meeting and Environmental Management Promotion Meeting, while the Logistics Quality Control Department and IT Planning Department do the same for the Transportation Safety Promotion Meeting and CSIRT Meeting, respectively. Under this structure, the SBS Group plans, determines and implements its response to ESG issues, including the issue of climate change.

Sustainability Promotion Structure



Risk Assessment and Strategy

**[Risk assessment]**

The Sustainability Promotion Committee checks and assesses the implementation status of environmental activities within the SBS Group. On environmental matters, the committee checks and assesses the status of target achievement for things such as CO<sub>2</sub> emission reduction status and violations of environmental laws. In addition, the Environmental Management Promotion Meeting assesses risks and opportunities related to climate change, deliberates and assesses the need for changes or improvements to important matters concerning the promotion of environmental management such as the formulation and monitoring of major environmental KPIs and medium- to long-term targets, and undergoes review for approval by the representative director of SBS Holdings, who chairs the Sustainability Promotion Committee.

**[Strategy]**

The SBS Group handles management risks in a comprehensive manner (see page 37 to 40). We have currently established 15 categories of risk events that have the potential to affect the SBS Group's short, medium and long-term management results, share price and financial condition. We view climate change risks as the most important of these risks, and as detailed in "Climate Change Scenario Analysis" below, we perform analyses of climate change scenarios to ascertain the impact of climate change-related risks and opportunities. In addition, we have made it a condition that directors put in charge of sustainability matters including climate-related issues have made work experience in the field of sustainability including climate change issues, and possess the ability to develop proposals and provide briefings at SBS Group Sustainability Promotion Committee meetings and Board of Directors meetings.

Process for Identifying Risks and Opportunities Associated with Climate Change



Scenario Analysis

Based on the recognition that risks and opportunities associated with climate change have a significant bearing on the business strategy of the SBS Group, under a promotion structure led by the Sustainability Promotion Committee we undertook the identification and materiality analysis of climate-related risks and opportunities through the following process using 1.5°C and 4°C scenarios.

**[1.5°C scenario]**

This scenario envisages rising costs due to strengthened regulations including the introduction of carbon tax, and the risk of rising prices for energy sources. To achieve "Sincere Challenge 2030," the Group is working on a number of initiatives as priority challenges, including the introduction of next-generation vehicles, the procurement of electricity from renewable energy sources, the increased installation of solar power generating equipment, and improvements to the in-house utilization rate for renewable energy.

**[4°C scenario]**

In anticipation of even higher physical risks due to the increasing severity of natural disasters, we will consider the promotion of disaster preparedness-related investments, including BCP measures that include climate disasters (management of hazard information for each site, risk information analysis and detection, etc.). In addition, since the logistics business involves manual work performed outdoors and in facilities, lost productivity and employee health hazards due to rising air temperatures are a concern. We will pursue efforts to improve workplace environments and introduce DX for labor saving and efficiency improvements.

**[Reference scenarios]**

- 1.5°C scenario: SSP1-1.9 and RCP2.6
- 4°C scenario: SSP5-8.5 and RCP8.5
- Other reference: IEA "Net Zero Emissions by 2050 Scenario"

Metrics, Targets and Plans

With the worldwide trend toward carbon neutrality picking up speed, in 2015 the Paris Agreement was adopted, and in 2020 the Japanese Government announced its 2030 target of reducing emissions by 46% from the 2013 level (including industry-specific targets) and declared it would achieve carbon neutrality by 2050. This climate has emphasized the need for corporate efforts to reduce emissions.

The SBS Group operates a comprehensive logistics business and uses a large number of vehicles to transport cargo. We recognize that decarbonization initiatives are part of our responsibility as a corporate group handling logistics that represents part of social infrastructure. In addition, in anticipation of achieving carbon neutrality by 2050, the SBS Group will aim to drastically reduce Scope 1 and 2 greenhouse gas (GHG) emissions with 2030 as its target year under the SBS Group's Decarbonization Plan focused on the following two points. The implementation of the plan is affected by the development trends of automotive manufacturers, the national government's approach to the energy mix in its Basic Energy Plan, and other factors.

**[Vehicles]**

Reduction of GHG emissions

According to manufacturer development trends (the introduction of EVs and other next-generation vehicles and other technologies and eco driving)

**[Facilities]**

Promotion of use of renewable energy-derived power sources (the promotion of measures including the procurement of green electricity, increased creation of renewable energy through solar power generation and higher on-site utilization rates, and the introduction of energy-saving lighting)

Reduction Targets

Target scope	Emission reduction targets
Scope 1 and 2	2030: We will aim to reduce our CO <sub>2</sub> emissions by 35% (compared with fiscal 2013 levels).* 2050: Endeavor to achieve carbon neutrality
Scope 3	Work to reduce emissions in the supply chain.

\* Based on "Transportation Sector: -35%," Japan's industry-specific reduction target



Results of Scenario Analysis

Category	Type	Expected risks and opportunities	Measures Addressing the Expected Risks and Opportunities	Time of occurrence			1.5°C scenario		Overall evaluation	4°C scenario		Overall evaluation
				Short term to 2025	Mid-term from 2026 to 2030	Long-term from 2031 and beyond	Degree of impact	Likelihood of occurrence	15>●	Degree of impact	Likelihood of occurrence	15>●
Transition risks	Policy and regulations	Risk of increased business expenditures due to taxation proportional to energy consumption (greenhouse gas emissions) through the full-scale introduction of carbon taxing in connection with strengthened domestic environmental regulations	●Set CO <sub>2</sub> emission reduction targets, and promote initiatives to reduce emissions (introduction of next-generation vehicles, procurement of green electric power, creation and improved in-house use of renewable energy) ●Visualize financial impact through the introduction of internal carbon pricing (ICP)		●		5	5	●	2	2	
	Technology market risks	Risk that the costs of carbon reduction measures will rise	Utilize subsidies when introducing next-generation vehicles, reduce costs of introduction by cooperating with alliances, and introduce vehicles systematically in light of market trends and other factors		●		4	5	●	1	2	
		Risk that funding will be procured on less competitive terms than other companies due to an inability to utilize green financing, etc.	Strengthen the continuity of sustainability (develop systems that take the environment, society and corporate governance into account)		●		5	4	●	2	2	
	Reputational risks	Risk that corporate reputation will deteriorate (leading to reduced access to capital and deterioration of corporate competitiveness) due to delays in disclosing environmental information and implementing environmental activities, including in relation to climate change	Strengthen appropriate disclosure systems for climate change issues and sustainability information	●			5	5	●	2	2	
Physical risks	Acute	Risks of employee harm, delayed business recovery, stoppage of business activities or shutdown of services due to climate disasters such as torrential rain, flooding and typhoons, and possibility of an impact on earnings	Strengthen BCP measures against natural disasters (1. decentralization of sites, 2. installation of solar power generation and storage batteries, etc., 3. relocation to low-risk areas, etc.)	●			4	4	●	5	5	●
		Risk of rising costs associated with damage to company assets due to climate disasters	Strengthen and reinforce facilities based on hazard information	●			4	4	●	5	5	●
	Chronic	Risk of adverse impact on employee health and reduced productivity due to rise in average temperatures	●Take measures to keep workers cool such as upgrading air conditioning equipment, using tools that provide cooling during outdoor work, or wearing fan-equipped attire ●Promote logistics operations (1. promoting automation, labor saving or unattended operations, 2. providing a comfortable work environment)	●			2	2		4	4	●
Opportunities	Energy sources	Opportunity to reduce CO <sub>2</sub> emissions and decrease fuel costs with the introduction of next-generation vehicles	Introduce next-generation vehicles (EVs, hydrogen-powered vehicles, etc.)	●			4	5	●	2	3	
		Opportunity to reduce CO <sub>2</sub> emissions by using renewable energy	Procure renewable energy-derived electric power and promote the in-house use of solar power generation		●		4	4	●	2	3	
	Market	Opportunity to reduce funding costs by utilizing green finance as a result of ensuring environmental advantages	Accelerate funding related to green projects such as green bonds		●		5	4	●	2	2	
	Resilience	Opportunity to reduce electric power procurement costs and secure a power supply for emergencies with the in-house use of solar power generation	Reduce electricity procurement costs and secure a power supply during emergencies with the introduction of renewable energy		●		4	4	●	3	2	

Defining Major Financial or Strategic Impacts When Identifying and Assessing Climate-related Risks

With regard to major financial or strategic impacts when identifying and assessing climate-related risks and opportunities, members of the SBS Group Sustainability Promotion Committee, chaired by the Representative Director, comprehensively deliberate over financial matters that could have some degree of impact on sales, including perspectives such as funding resources, human resources, the size of financial statements and the business plans of each operating division. After determining which risks and opportunity could have a significant financial impact, approval is finally sought from the Board of Directors. Note that the size of a major financial or strategic impact on business is defined based on a risk or opportunity having a certain degree of impact on sales or costs, etc., and the likelihood of the risk or opportunity materializing.

Major Financial Impacts (Expectations Based on Hypotheticals as of 2030)

Risks and opportunities		Type	Period	Likelihood of occurrence	Financial impact (on an annual monetary basis)	Countermeasures	Details of Risks (Basis for Calculation of Financial Impact)
Risk 1	Risk of increased business expenditures due to taxation proportional to energy consumption (greenhouse gas emissions) through the full-scale introduction of carbon taxing in connection with strengthened domestic environmental regulations	Policy and regulations	Long-term	High	Relatively high 1.5°C scenario: increase of approximately 1.9 billion yen 4°C scenario: increase of approximately 1.2 billion yen * Provisional calculation based on FY2023 emissions	Responding to priority issues based on the Mid-to-Long-Term Environmental Plan ● Introduction of next-generation vehicles ● Introduction of electric power derived from renewable energy ● Ongoing upgrades to solar power generating equipment and improved in-house utilization rate	Forecast carbon tax prices (2030) ● 1.5°C scenario: 140 dollars/t-CO <sub>2</sub> = 18,578 yen/t-CO <sub>2</sub> ● 4°C scenario: 90 dollars/t-CO <sub>2</sub> = 11,943 yen/t-CO <sub>2</sub> * The 2030 carbon tax prices in each scenario for developed countries including Japan are quoted from "World Energy Outlook 2022" (based on an exchange rate of 1 USD = 132.70 JPY; see mid price from December 30, 2022) ★Tax burden = CO <sub>2</sub> emissions × tax price × years of impact
Risk 2	Risk that corporate reputation will deteriorate due to delays in disclosing environmental information and implementing environmental activities, including in relation to climate change	Reputation	Mid-term	High	High Reduction of 14.1 billion yen * Provisional calculation based on market capitalization as of the end of FY2023	Setting of appropriate metrics and targets for climate change issues and sustainability information, and improvements to timely disclosure systems	Stock investment reduction rate: approx. 14% (1) 65.3% (sustainable investments as a percentage of total assets under management) (2) 20.9% (stock investments as a percentage of the sustainable investment percentage) (3) Sustainable stock investments as a percentage of total assets under management) (1) × (2) = 13.6% ≈ 14% * The investment ratios of (1) and (2) quote data from "Whitepaper on Sustainable Investment in Japan 2023" ★Market capitalization × (3) = decrease in stock value
Risk 3	Risk of adverse impact on employee health and reduced productivity due to rise in average temperatures	Chronic physical risks	Mid-term	High	High Reduction of 4.7 billion yen * Provisional calculation based on FY2023 net sales	Improvements (air conditioning, nature of tasks) to the work environments of field personnel (drivers, on-premises workers)	Rate of decline in labor productivity: 1.10% (on-premises workers, drivers) Under the RCP8.5 scenario which assumes a severe temperature rise, average temperatures are expected to rise by 1.5°C by 2030, which indicates a 1.10% decline in productivity. * Citing Climate Impact Explorer productivity projects based on the RCP8.5 standard ★Net sales in the transportation segment (logistics segment) × rate of labor productivity decline
Opportunity 1	Opportunity to reduce CO <sub>2</sub> emissions and decrease fuel costs with the introduction of next-generation vehicles	Decrease in expenses	Mid-term	Almost certain	Relatively high ● Cost reduction of approximately 66% ● Reduction of CO <sub>2</sub> emissions by between one- and two-thirds	Introduction of next-generation vehicles	Reduction rate in fuel costs: 66% Based on the mileage performance and unit prices of fuel for EVs and light oil, the amount needed to drive 1 km is determined to calculate the percentage difference. * 1. Based on mileage performance figures for small- and medium-sized vehicles published by manufacturers and fuel unit prices published by the industry and government * 2. Costs and CO <sub>2</sub> emission reduction impact vary depending on daytime and nighttime charging
Opportunity 2	Opportunity to reduce CO <sub>2</sub> emissions by using renewable energy	Low-emission energy	Long-term	Very high	Relatively high The cost impact varies depending on the method of electricity procurement	Procure renewable energy-derived electric power and promote the in-house use of solar power generation	Reduce Scope 2 emissions ● Strengthening of renewable energy creation and impacted in-house utilization rate ● Procurement of electric power derived from renewable energy (including PPA introduction)

The SBS Group views the SDGs as its vision for creating a sustainable world with all stakeholders towards the year 2030. The goals of the Group’s four future visions are to supplement its growth strategies and share its views on what will be created by growth with many people.

# The Future Vision

the SBS Group is Shaping Through the SDGs

The SBS Group views the SDGs as its vision for creating a sustainable world with all stakeholders towards the year 2030. The Group has also developed four future visions to supplement and reinforce its growth strategies and is working to achieve them.

### Build efficient and sustainable logistics systems in Japan and around the world

Making full use of evolving technologies, we will take the convenience, safety and environmental performance of logistics systems - the foundation of social lives and industrial activity - to the next level.

### Maximize opportunities for social activities to be helpful

To the extent that is reasonably possible, we will maximize opportunities for logistics systems to contribute to social activities across a wide range of actions, from the transportation of relief supplies to the promotion of resource recycling.

### Make opportunities for anyone to demonstrate their individuality and succeed the new normal


























To build an inclusive world, we will create direct and indirect opportunities for all kinds of people to demonstrate their individuality and pursue their true potential.

### Expand partnerships with a diverse range of entities to every corner of society

In each area where the SBS Group operates, we will expand cooperative relationships with a wide range of parties, from governments and financial institutions to research organizations, non-profit groups, and individual consumers.




Main Issues

Build efficient and sustainable logistics systems in Japan and around the world	Ensuring safety The SBS Group will pursue improvements to safety and contribute to the reduction of traffic accidents in society.	 
	Consideration of the environment The SBS Group will promote the improved efficiency and introduction of clean sources in its energy uses, contributing to reduced carbon utilization.	 
	Providing new value through total logistics solutions The SBS Group pursues improved efficiency in logistics as a part of social infrastructure, helping to make cities and towns more livable by contributing to improved lifestyle convenience, reduced environmental impact and other advancements.	    
Maximize opportunities for social activities to be helpful	Contributing to local communities The SBS Group contributes to local communities in various ways primarily through its business activities.	     
Make opportunities for anyone to demonstrate their individuality and succeed the new normal	Respect for human rights and diversity The SBS Group respects human rights and diversity in every aspect of its business activities. In addition, we do not tolerate harassment or discriminatory behavior in any form.	  
Expand partnerships with a diverse range of entities to every corner of society	Partnerships aimed at co-creation The SBS Group will create value in its cooperative relationships with stakeholders.	
Building governance that supports sustainability management The SBS Group will aim to develop responsible governance that contributes to sustainability management.		     


The SBS Group is keenly aware of its responsibility and possibility as a company handling logistics as a key part of social infrastructure. We also place an importance on the sustainable development goals (SDGs) providing direction for solutions to the various issues facing the world. Helping to achieve the SDGs is one of the key aspects to our management policy.




# The SBS Group's Initiatives to Address the SDGs



Donating to international cooperative activities through the collection of used and unused stamps  
Running of fair trade sales events



Support for food banks




**Transportation safety management / Driver contests / KAIZEN activities / Advancement of 5S**


Promotion of various initiatives to ensure safety

① Implementation of a safety training curriculum    ② Improved accident rate

Reduction of air pollution due to exhaust gases  
Events to sell bread out of welfare workplaces



Scholarship Program (SBS Kamata Foundation) for students receiving social care  
Holding of SDGs roundtable discussions involving university students

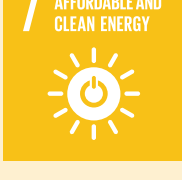


**Career advancement training for women / Certification as an Eruboshi company**

Developing an environment enabling employees to flexibly balance live events with work

① Strengthen activities that promote the active participation of women and develop environments that champion the success of women    ② Promote women's career advancement

③ Promote the appointment of women to managerial positions  
DEI promotion project

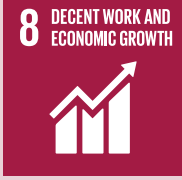


**Introduction of power derived from renewable energy / Promoting the introduction of energy-saving lights / Eco and safe driving training**

Improved energy efficiency and the expansion of renewable energy

① Improved vehicle fuel efficiency    ② Installation of solar power generation equipment

Promoting the introduction of next-generation vehicles



**General Workplace Consultation Office / Certification System for Pleasant Workplace Development / Certification as a Kurumin company / Various commendation systems**


Support for employee skills and career development

① Job class-specific training    ② Specialized theme-specific training    ③ Division-specific training

Improve employees' work-life balance

① Ratio of childcare leave taken by male employees    ② Annual paid leave acquisition rate

Achieving productive employment and fulfilling, dignified work (decent work)



**Fostering logistics research (SBS Kamata Foundation)**


Expanding and strengthening logistics functions as social infrastructure

① Promotion of improved logistics efficiency through a strengthened 3PL business


② Development of last-mile transportation systems (providing access to sustainable transportation systems)

③ Automation and improved efficiency through the introduction of logistics DX and LT


④ Logistics site improvement and structural reform



Human Rights Policy  
Diversity Policy  
Diversity Promotion Seminar  
Declaration on Respect for Human Rights and Elimination of Harassment



Business continuity plan  
Detection of risk information  
Network of sustainable logistics sites




**Recycling waste**

Promotion of the Sincere Challenge 2030 medium-to-long-term environmental plan

① Reduction of water consumption

② Reduction of waste through the development of recyclable eco-friendly packaging

③ Running of clean-up activities in various regions




**Introduction of power derived from renewable energy / Eco and safe driving training / Promoting the introduction of energy-saving lights / Modal shift**


Promotion of the Sincere Challenge 2030 medium-to-long-term environmental plan

① Reduction of CO<sub>2</sub> emissions


Promoting the introduction of next-generation vehicles



Corporate forest activities  
Supporting groups engaged in forest preservation activities  
Supporting children's forest preservation activities and environmental education through the collection of used books



Compliance training for management personnel  
Audit & Supervisory Committee Member Hotline  
Attorney Hotline  
Support for the employment of refugees



Partnerships associated with business activities and sustainability management / Support for the social sector  
Coordination and collaboration with various stakeholders through membership in Global Compact Network Japan (GCNJ)  
Improved added value throughout the supply chain through a partnership building declaration

SBS Group



**Production and utilization of renewable energy**

In addition to two power plants, we have installed solar power generating equipment mainly on the roofs of our logistics centers, branches and sales offices, enhancing our power generating capacity as a group. The Group's total power generation capacity exceeded 20,000 kW as of the end of FY2024. We are continuing to increase this capacity in stages.



Installation of 8,200 rooftop solar panels

SBS Group



**Announcement of Partnership Building Declaration**

The SBS Group announced its declaration in June 2024 in support of the purposes of the Council on Promoting Partnership Building to Cultivate the Future. This is a declaration to engage in new collaborations and observe ideal trade practices to achieve greater added value throughout the supply chain and prosperous coexistence.



Group Companies



**Logistics site improvement and the structural reform of logistics**

SBS Toshiba Logistics earned Platinum certification for 2024 under the "System for Recognition of Excellence in Improvement of Logistical Workplaces." In addition, SBS Logicom received the Logistics Structural Reform Award under the FY2024 Excellent Logistics Partnership Commendation Program together with Nippon Access and Tokyu Store.



The SBS Group has developed systems related to sustainability to build a sustainable society by solving social issues while also sustainably enhancing its corporate value. These systems also play a role in the management of climate change risks and form the foundation for the Group’s implementation of consistent measures.



SBS Group Sustainability Policy

The goal of the sustainability policy of the SBS Group (established in January 2023) is to demonstrate the values and goals that employees should emphasize in implementing sustainability management while appropriately disclosing our policy to stakeholders. Befitting a company that makes its living from logistics, “connections” are a central theme of the policy. The theme of three “connections,” with people, society, and the earth, is common among key challenges. The details are also consistent with the United Nations Global Compact, which the SBS Group supports.

Basic Principles

In the spirit of our management philosophy of “respecting people and fulfilling its social responsibility,” the SBS Group aims to contribute to the stability of people’s lives and the realization of a sustainable society through logistics, which is social infrastructure. To achieve this, under the following policy, we will actively promote sustainable initiatives by having all employees of our group recognize themselves as members of the international community.

Basic Policies

(1) We value people’s connections and people’s thoughts

- We protect and respect human rights and diverse sets of values in all of our corporate activities.
- We foster a corporate culture in which a diverse range of human resources can accept and cooperate with one another, and provide an environment that allows employees to work safely and in good health.
- We provide timely and appropriate training and cultivate human resources who can contribute to society through value creation.

(2) We connect with society and meet society’s expectations

- We observe laws, regulations and international rules, conduct business with fairness and integrity, and work to thoroughly prevent corruption.
- We respect social rules, develop mutual trust with local communities and contribute to society through our business activities.
- We engage in appropriate information disclosures and dialogue with stakeholders, making earnest efforts to meet the requirements and expectations of all stakeholders.

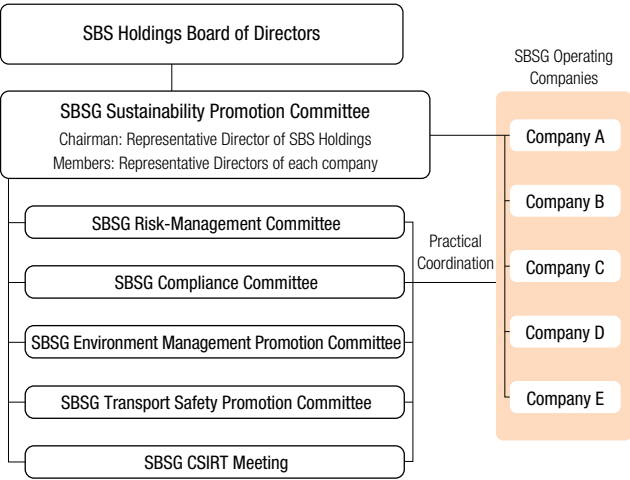
(3) We connect with the earth and consider its future

- We consider thorough environmental management to be a key challenge, pursue a reduced environmental impact in all of our business activities, and do our best to preserve the global environment.
- We are continually aware of the risks of climate change, and drive efforts to reduce greenhouse gas emissions to create a decarbonized society.

SBS Group Sustainability Promotion Committee

The SBS Group regularly holds meetings of the Sustainability Promotion Committee to develop and strengthen a management system consistent with its sustainability policy, and to put sustainability management into practice on a Groupwide basis to balance the achievement of a sustainable society with the ongoing enhancement of corporate value. The committee is positioned as an advisory body to the Board of Directors and will formulate sustainability strategies and action policies for the entire Group, while monitoring KPIs and the status of coordination in activities within the Group. The committee is chaired by the representative director of SBS Holdings, and its members comprise SBS Holdings directors and executive officers, as well as the representative directors of SBS Group companies.

SBS Group (SBSG) Sustainability Promotion Structure



\* The members of the above meetings are composed of the general managers of administrative divisions, related divisions, and persons in charge

Participation in the United Nations Global Compact

The United Nations Global Compact is a voluntary initiative for companies and organizations acting as good members of society and achieving sustainable growth by demonstrating responsible and creative leadership. Since the SBS Group expressed its support for the United Nations Global Compact in January 2023, it has continued to work to implement the Ten Principles related to the protection of human rights, elimination of unfair labor, environmental measures, and anti-corruption. Details of the ten principles are listed on the SBS Holdings website.

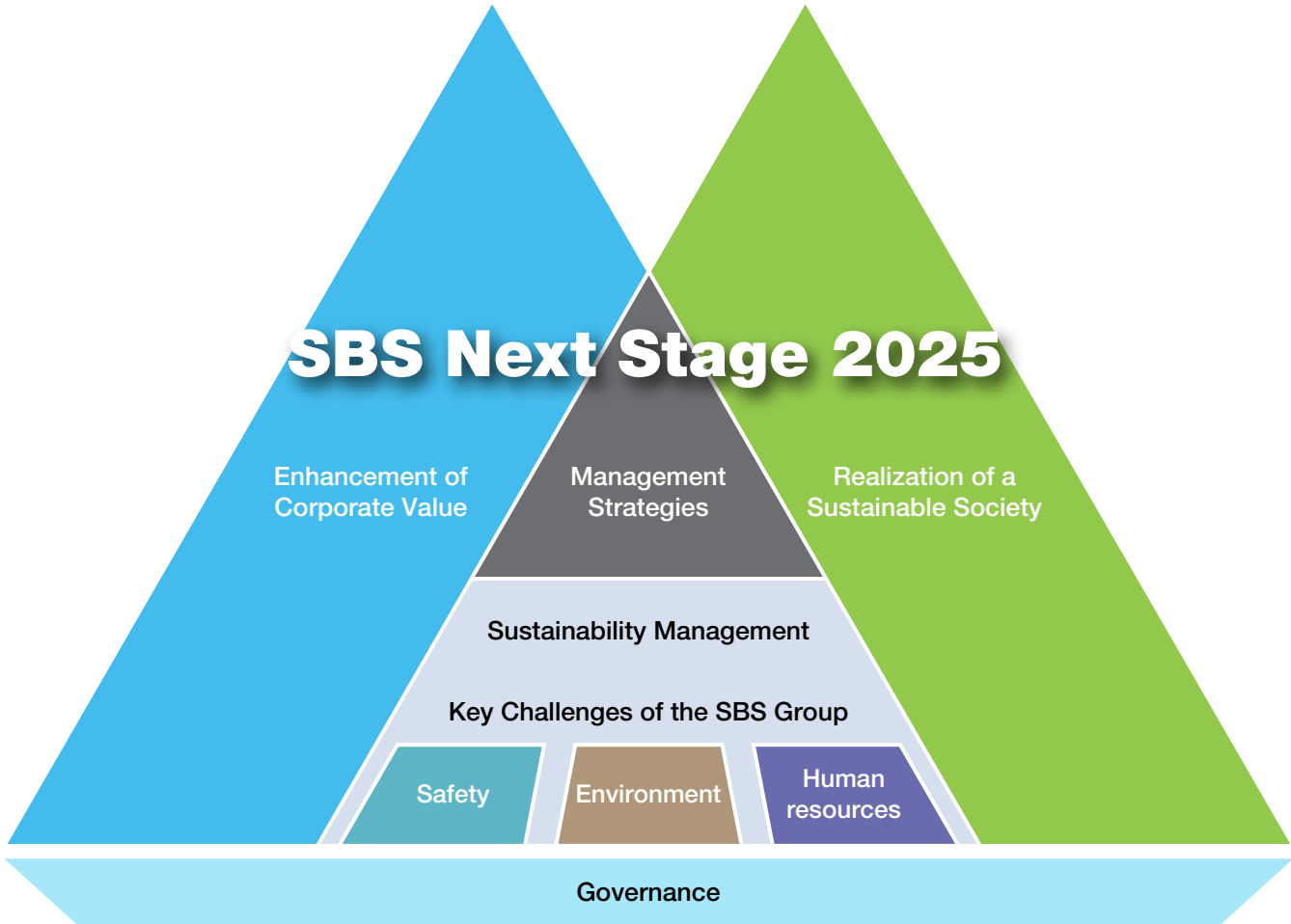


The Ten Principles in Four Areas of the United Nations Global Compact

- Human rights**
- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: Make sure that they are not complicit in human rights abuses.
- Labor**
- Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: Support the elimination of all forms of forced and compulsory labour;
- Principle 5: Support the effective abolition of child labour; and
- Principle 6: Support the elimination of discrimination in respect to employment and occupation.
- Environment**
- Principle 7: Support a precautionary approach to environmental challenges;
- Principle 8: Undertake initiatives to promote greater environmental responsibility;
- Principle 9: Encourage the development and diffusion of environmentally friendly technologies.
- Corruption prevention**
- Principle 10: Work against corruption in all its forms, including extortion and bribery.



From the perspective of integrating management strategy with sustainability, we have identified Safety, Environment and Human Resources as the key challenges of the SBS Group, and have been pursuing highly strategic initiatives on an ongoing basis.



Key challenges (materiality) in sustainability management represent “importance for the sustainability of our own business model.” Demonstrating this practice (of identifying key challenges, pursuing initiatives to address them and engaging in disclosures) offers extremely useful insight to stakeholders in examining the mid- and long-term sustainability of a company. On the following page, the SBS Group has summarized the challenges that impact it (from the perspectives of risks and opportunities) in carrying out business activities based on its value as a corporation (management philosophy) and business model. Note that we will reassess these key challenges in terms of their ratings of importance to stakeholders (investor ratings, assessment body metrics, etc.) and their ratings of importance in the Group (priority matters for business strategy,

actual initiatives, etc.) and continue to review material matters. It has become even more important for companies to strike a balance between achieving a sustainable society by solving social issues and continually improving corporate value. In light of this, the SBS Group has established a Sustainability Policy (see page 49) with the aim of presenting the values emphasized by the Group and the targets it will tackle to achieve them. In addition, in the Group’s medium-term management plan SBS Next Stage 2025, we have declared improved governance supporting sustainability management and strengthened action on key challenges (materiality) as priority measures in an effort to integrate our management strategy with sustainability.

Concrete Action on Key Challenges

Key Challenges	Safety	Environment	Human resources
Overview	To advance logistics as a business that supports social infrastructure, safety initiatives aimed at zero accidents are our highest priority.	To coexist with society and continue to be a company that is trusted by society, taking action on environmental issues, a global challenge, is a matter of essential importance.	Human resources are tasked with carrying out business activities, including safety and environmental initiatives. The development of human resources is an important factor in boosting competitiveness.
Major Risks	<ul style="list-style-type: none"><li>Loss of trust</li><li>Interference with business activities</li><li>Industrial accidents</li><li>Impact on funding</li></ul>	<ul style="list-style-type: none"><li>Increased response costs</li><li>Loss of social reputation</li><li>Suspension of business activities</li><li>Impact on funding</li></ul>	<ul style="list-style-type: none"><li>Decline of competitiveness</li><li>Lost business opportunities</li></ul>
Main Opportunities	<ul style="list-style-type: none"><li>Enhancement of credibility</li><li>Improved external recognition</li><li>New business opportunities</li></ul>	<ul style="list-style-type: none"><li>Cost control from improved fuel efficiency</li><li>Differentiation through innovativeness</li></ul>	<ul style="list-style-type: none"><li>New value creation due to workforce diversity</li><li>Promoting innovation</li><li>New business opportunities</li></ul>
Priority Issues	<ul style="list-style-type: none"><li>Vehicle accidents</li><li>Occupational accidents</li><li>Facility fires</li><li>Cyber attacks</li><li>Natural catastrophes</li></ul>	<ul style="list-style-type: none"><li>Climate change</li><li>Carbon reduction</li><li>Recycling of resources</li><li>Air pollution</li><li>Environmental protection</li><li>Regulation compliance</li><li>Improvement of fuel consumption</li></ul>	<ul style="list-style-type: none"><li>Securing and retaining human capital</li><li>Human capital development</li><li>Workstyle reforms</li><li>Health and productivity management</li><li>Diversity</li></ul>
Major Initiatives	<p>Provision of safe and secure logistics services with the aim of zero serious accidents</p> <ul style="list-style-type: none"><li>Promotion of transportation safety management</li><li>Steady implementation of a safety education curriculum</li></ul>	<p>Development of environmentally friendly logistics facilities, transportation and delivery systems</p> <ul style="list-style-type: none"><li>Introduction of next-generation vehicles, initiatives to improve fuel efficiency</li><li>Provision of streamlined logistics facilities utilizing LT and IT</li><li>Reduction of greenhouse gas emissions</li></ul>	<p>Improving human resource and organizational capabilities to enhance the overall strength of the Group</p> <ul style="list-style-type: none"><li>Initiatives to support employee skills and career development</li><li>Initiatives to improve employees’ work-life balance</li><li>Initiatives to develop environments that champion the success of women</li></ul>
KPI	<ul style="list-style-type: none"><li>Accident rate per vehicle</li><li>Occupational accident rate per employee</li></ul>	<ul style="list-style-type: none"><li>Reduction in CO<sub>2</sub> emissions per unit of sales (Scope 1 and 2)</li><li>NO<sub>x</sub> and PM emissions in exhaust gases (kg)</li></ul>	<ul style="list-style-type: none"><li>Percentage of women in managerial positions</li><li>Annual paid leave acquisition rate</li><li>Ratio of childcare leave taken by male employees</li></ul>

Integration of Management Plan and Sustainability Plan

We have incorporated “strengthening the foundations of sustainability management” and “human capital initiatives” as priority measures in our three-year medium-term management plan and have also set them as areas of focus based on materiality (safety, the environment, human capital). The SBS Group Mid-to-Long-Term Environmental Plan (Sincere Challenge 2030) is managed as an indicator of priority items in the Medium-Term Management Plan.

The SBS Group’s Three-Year Management Plan  
SBS Next Stage 2025



# ENVIRONMENT

[Environment]

## Review of Initiatives

The SBS Group has made disclosures regarding “SBS Group Decarbonization Initiatives,” including GHG reduction targets for 2030 and 2050. The main reduction efforts involve the introduction of next-generation vehicles and securing renewable energy-derived power sources for facilities. In terms of vehicles, we faced issues with the lack of commercial models on the market that are mid-sized and larger, which represent the core of our operations, but we have made steady progress on initiatives by focusing on our current capabilities, such as promoting the internal use of renewable energy created within the Group, and ensuring environmental value.



## Major Indicators (Fiscal 2024 Results)

Number of employees taking eco-driving and safe-driving training (cumulative total)

**1,709**

Modal Shift Transportation Volume

**383,840** t

Business sites where energy-saving lighting has been introduced (cumulative total)

**130** business sites

Total CO<sub>2</sub> emissions (compared with the previous year)

**1.57** % increase

CO<sub>2</sub> emissions per unit of sales (compared with the previous year)

**8.97** % decrease

For details about our basic policy on the environment and the structure for promoting environmental initiatives, please check our website.

TOP → Sustainability  
<https://www.sbs-group.co.jp/sbshlds/csr/>

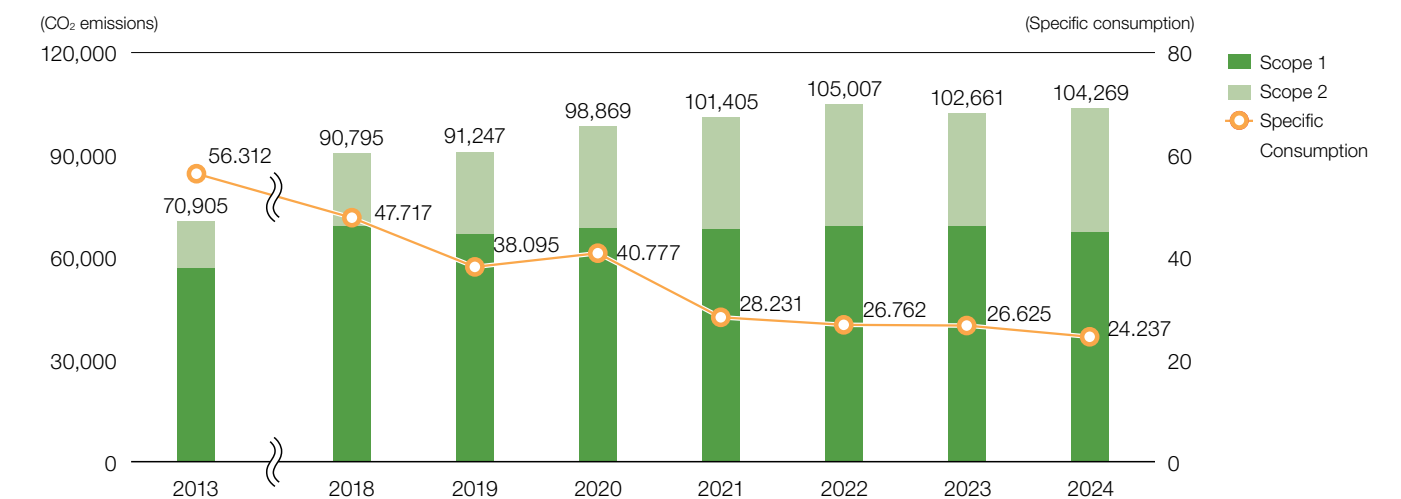
## CO<sub>2</sub> Emissions and Energy Use

The SBS Group has been actively working to improve the efficiency of its energy use while reducing its CO<sub>2</sub> emissions.

## Fiscal 2024 Results

The SBS Group pursues initiatives under a mid- to long-term decarbonization strategies that is focused on two points: vehicles and facilities. In fiscal 2024, we introduced 30 electric vehicles, and completed construction of Building A at the Group’s flagship Noda Seto Logistics Center. The center is equipped with 4.7 MW solar power generation facilities and began operating an eco-friendly center consuming 1.5 MW of that output in fiscal 2024. In terms of CO<sub>2</sub> emissions, sluggish growth in net sales for our core logistics business had an impact, with CO<sub>2</sub> emissions per unit of sales only recording a slight decrease.

### Trend in CO<sub>2</sub> Emissions and Per-unit Emissions (CO<sub>2</sub> Emissions per Unit of Sales)



### GHG Protocol Emissions (Scope 1, 2 and 3)

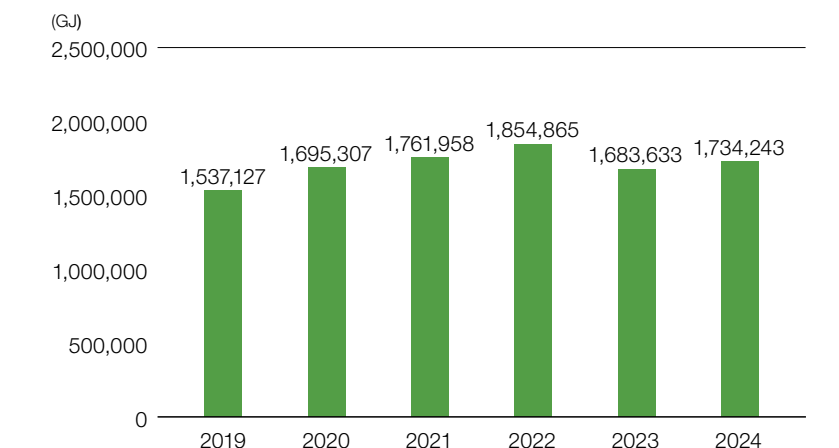
Scope 1	67,368 t
Scope 2	36,901 t
Scope 3* Category 1 (Purchased products and services)	789,811 t
Category 3 (Fuel- and energy-related activities not included in Scope 1 or Scope 2)	20,605 t
Category 5 (Waste generated in operation)	1,953 t

\* Refer to “Scope 3 Calculation” for calculation conditions and other details

### Energy Consumption (by Type)

Electric power	77,850,525 kwh
Water	119,601 m³
Copy paper	82,063,706 sheets
Kerosene	58,269 ℓ
Facility LPG	1,346 m³
Forklift LPG	57,223 m³
City gas	377,819 m³
Type A heavy oil	0 ℓ
Forklift gasoline	6,153 ℓ
Forklift diesel	75,747 ℓ
Vehicle fuel	25,980,871 ℓ

### Trend in Energy Consumption (Calorific Value)





In 2015, the Paris Agreement was adopted, and in 2020 the Government of Japan announced its target of reducing CO<sub>2</sub> emissions by 46% from the 2013 level by 2030 (including industry-specific targets) and declared it would achieve carbon neutrality by 2050. The SBS Group operates a comprehensive logistics business and uses a large number of vehicles to transport cargo. We recognize that decarbonization initiatives are part of our responsibilities as a corporate group handling logistics, which is a part of social infrastructure, and at the same time, they are an opportunity to redesign our logistics services.

The SBS Group’s Decarbonization Plan

In anticipation of achieving carbon neutrality by 2050, the SBS Group will aim to drastically reduce Scope 1 and 2 emissions with the year 2030 as a target, focusing on the following two points.

- Vehicles

Reduction of greenhouse gas (GHG) emissions <sup>\*1</sup>  
(Introduction of EVs and other next-generation vehicles, introduction of other technologies, eco driving)
- Facilities

Promotion of renewable energy-derived power sources <sup>\*2</sup>  
(Promotion of measures including the procurement of green electricity, increased creation of renewable energy through solar power generation and higher on-site utilization rates, and introduction of energy-saving lighting)

<sup>\*1</sup> According to manufacturer development trends  
<sup>\*2</sup> According to energy mix in the Sixth Basic Energy Plan

Reduction Targets

Target scope	Emission reduction targets
Scope 1 and 2	2030: We will aim to reduce our CO <sub>2</sub> emissions by 35% (compared with fiscal 2013 levels). <sup>*3</sup> 2050: Endeavor to achieve carbon neutrality
Scope 3	Work to reduce emissions in the supply chain.

<sup>\*3</sup> Based on "Transportation Sector: -35%," Japan's industry-specific reduction target

Striving to Achieve Our Targets

[Introduction of eco-friendly vehicles]

For us at the SBS Group, introducing new vehicles is an extremely important business investment. Moving forward, we will pay close attention to national policies and the development trends of automotive manufacturers to formulate solid plans and find the right time to introduce these vehicles.

[Carbon offset]

Reductions include the creation of renewable energy and credit-based offsets.

[Reduction targets]

- (1) While the base year for Scope 1 and 2 reduction targets for 2030 is set according to Japan’s Paris Agreement-based GHG Reduction Target Base Year, in anticipation of SBT certification in the future, we plan to pursue initiatives consistent with this certification.
- (2) If there are changes to Japan’s reduction levels or the above conditions, we may change our emission reduction targets.

Mid-to-Long-Term Environmental Plan

SBS Group Mid-to-Long-Term Environmental Plan

Plan Name	Sincere Challenge 2030				
Slogan	“We take on the challenge of making an eco-friendly society full of green!”				
Priority Issues	Mid-term	Curtailment of CO <sub>2</sub> emissions (reduction of carbon emissions from vehicles and facilities) Promotion of resource recycling (effective use and recycling of waste) Conservation of natural resources (reduction of use of copying paper and water)			
	Long-term	Strengthening reduction of CO <sub>2</sub> emissions from vehicles (formulation and implementation of plan for introduction of next-generation vehicles)			



Environmental Action 2023

Aim	Action	Goal			Results		Achievement Status
		2024	2025	2026	2023	2024	
Preventing global warming	Reduction in CO <sub>2</sub> emissions per unit of sales	At least 3% year-to-year			26.63 tons/100 million yen	24.24 tons/100 million yen	○ 8.97% decrease
	Reduction of CO <sub>2</sub> emissions per distance traveled in vehicles	At least 1% year-to-year			0.51 kg/km	0.50 kg/km	○ 1.14% decrease
Resource conservation [water and forests]	Reduction in water usage per employee	At least 1% year-to-year			5.14 m <sup>2</sup>	5.01 m <sup>2</sup>	○ 2.49% decrease
	Reduction in PPC paper usage per employee	At least 1% year-to-year			3,416 sheets	3,437 sheets	✕ 0.61% increase
Resource recycling	Visualization of industrial waste product recycling	Sampling	Expansion of applicable business sites	Active promotion	Under consideration		△
Development of green logistics services	Improved fuel efficiency	At least 1% year-to-year			5.05 km/ℓ	5.05 km/ℓ	△ No change
	Eco-driving promotion	Development of an evaluation and commendation system	Launch of the evaluation and commendation system	Firm establishment of the evaluation and commendation system	Commendations awarded to 4 business sites	Commendations awarded to 4 business sites	○
		Year-to-year increase in EMS introduction rate			Completed introduction of cargo vehicles		○
Education	Awareness-raising of environmental action (posters, etc.)	Active promotion			Sincere Challenge 2030 posters and “Environmental Actions Taken Within a 5-Meter Radius” posters were displayed.		○
Social contribution	Support for environmental groups	Providing support to at least one group			One environmental group was supported and provided assistance with its activities.		○

■ Increasing the Efficiency of Logistics

The 3PL-based logistics reforms the SBS Group is proposing for a wide range of situations will not only drive improved efficiency in customer operations and the business overall but also have significant potential to reduce CO<sub>2</sub> emissions. The SBS Group has made concerted efforts to design and operate logistics as part of social infrastructure that is also outstanding from a sustainability perspective. As the foundation of those efforts, we are continually working to reduce the environmental impact of the resources under our control, both in physical and operational terms.

■ Initiatives Related to Vehicles

Vehicles are the basic units of logistics systems, and to operate them with a low environmental impact, we have pursued phased updates while ensuring that appropriate driving attitudes and technologies take root among drivers.

[Eco-driving]

The SBS Group is striving to foster a deeper culture of eco-driving (fuel-efficient driving) through eco-driving training (eco and safe-driving training: eco-driving workshops conducted in group settings) and through actual practice (voluntary fuel efficiency management: having drivers ascertain the effects of their own driving by recording supplied fuel, distances driven and fuel efficiency by hand to raise awareness of fuel-efficient driving) in a two-pronged effort.

● Solar power generating equipment

**19** locations  
(in-house utilization at four locations)

● Total power generating capacity

\* The figure in ( ) is generated power utilized in-house

**16,609,083** kwh  
(2,722,942 kwh) (as of December 31, 2024)

● Number of employees taking eco-driving and safe-driving training

**1,709** (as of December 31, 2024)

● Number of business sites where energy-saving lighting has been introduced

**130** business sites (cumulative total including sites with partial introduction)

● Modal shift transportation volume

**383,840** t (Fiscal 2024)

Railway cargo: 305,160 t

Ship cargo: 78,680 t

[Introduction of next-generation vehicles]

We are implementing a plan to replace roughly 1,000 vehicles with EV equivalents by 2030, focusing on light and medium-sized vehicles. Regarding cargo vehicles, options are limited, and therefore the SBS Group began to convert used vehicles into EVs on its own in FY2024.

■ Initiatives Related to Facilities

To achieve low carbon operations at warehouses and other logistics facilities, we will pursue the dual initiatives of energy savings and energy creation.

[Introduction of power-saving lighting]

The SBS Group is promoting reduced power usage at its facilities through various electricity-saving measures. The introduction of energy saving lighting (LEDs, etc.) has been actively rolled out as a central part of these efforts, and as of the end of 2024, the lighting had been installed at approximately 130 locations (operated by the SBS Group). This has led to electricity savings of 50% or more (based on SBS Group research) at our business sites, and has had the effect of reducing CO<sub>2</sub> emissions by at least 3,000 tons (compared with the use of conventional fluorescent and high ceiling-mounted lighting).

[Creation of renewable energy]

The SBS Group maintains solar power generating equipment (total power generation of 16,609,000 kwh in 2024) at 19 locations (facility rooftops and dedicated installations), contributing to the creation of renewable energy. Although on-site use still only accounts for a small amount (16%) of total power generation, we plan to shift to the use of renewable energy-derived power as we head to 2030.

[Decarbonization of overall facilities]

The Noda Seto Logistics Center that was completed in February 2024 is an eco-friendly center equipped with solar power generating facilities for on-site consumption that cover day-time electric power needs with renewable energy (1.5 MW of total 4.7 MW generating capacity is used) and facilities to utilize well water (primarily to supply irrigation water for landscaping). Under the CASBEE building rating system which evaluates the comprehensive environmental performance of buildings, the center has achieved Rank A (very good).

■ Modal Shift\*

The SBS Group also supports modal shift. Modal shift refers to social contribution-oriented modes of transportation that not only reduce the impact on the environment but also address the shortage of drivers. In 2015, SBS Logicom participated in promoting the model shift of sales routes for liquor dealers and helped significantly reduce CO<sub>2</sub> emissions as a result. The company received a joint award under the Excellent Green Logistics Commendation Program.

Companies targeted for modal shift

SBS Toshiba Logistics | SBS Ricoh Logistics  
SBS Logicom | SBS Furukawa Logistics

\* The modal shift is the shift of the means of transporting cargo and people. In cargo transportation, it means the movement of goods by cargo truck is switched to rail or coastal vessel-based transportation. Since attention was drawn to modal shift at the 3rd Conference of the Parties under the United Nations Framework Convention on Climate Change (Kyoto Meeting) in 1997, various countries have pursued initiatives, and efforts have also been promoted by Japan's Ministry of Land, Infrastructure, Transport and Tourism.

■ Creating Logistics Services That Decarbonize Society

Serving as the arteries and veins of society, logistics have the potential to decarbonize the movement of society. The SBS Group is implementing many different approaches to actualizing the potential of logistics, including the improvement of transportation methods, new collaborations with other companies, and the redesign of the Group's services. We received an award through the Excellent Logistics Partnership Commendation Program, which is implemented by the Ministry of

Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism, for the two initiatives below.

■ Assessment of CO<sub>2</sub> Reductions

SSBS Logicom provides a service where dedicated staff diagnose CO<sub>2</sub> reduction effects based on customer choices. In addition to supply chain stabilization, we conduct assessments from a carbon footprint perspective, proposing a role of logistics that is optimum for each customer.

HIGHLIGHT

Joint deliveries in the business equipment industry

As a Japan Business Machine and Information System Industries Association (JBMIA) member company, SBS Ricoh Logistics promoted efficient joint deliveries by multiple manufacturers in the business equipment industry.

In this project, multiple JBmia member companies from the business equipment industry implemented co-creation activates to change to address the issues of the driver shortage, low loading ratio deliveries, and the fluctuations due to the concentration of deliveries at the end of month. These have been issues for a long time in the logistics industry. It was confirmed that the following was achieved through op-

- CO<sub>2</sub> emissions reduced 62.5 tons during the year (16.4% reduction)
- Number of vehicles reduced by 938 during the year (19.8% reduction)
- Loading ratio improved 4.8%

Fundamental revision of the diagram for deliveries to stores

SBS Logicom, Nippon Access, Inc., and Tokyu Store Corporation collaborated to solve issues connected to the 2024 problem in logistics and fundamentally revised its diagram for delivering goods to stores. The previous method of delivering goods to stores involved five deliveries per day with the category of goods being delivered and the time of arrival at each store being specified for each delivery and same-day delivery being ensured through additional deliveries after the last scheduled delivery of the day. This method was highly convenient for each store, but the three companies agreed that it involved a great deal of waste, such as trucks with low loading ratios and drivers spending significant time waiting, and there were limitations in terms of sustainability. They decided to fundamentally revise the existing rules to solve this issue. Their basic approach was to

erations in the Hokkaido area from April 2023 to March 2024.

In 2024, the rollout of the program was completed in the Hokkaido, Hokuriku, and Tohoku areas. In 2025, it will be rolled out in the Kyushu, Koshinetsu, and Chugoku and Shikoku areas. Through joint deliveries, member companies participating in this project have achieved the stabilization of their logistics activities and a reduction of their costs. The project has also contributed to the improvement of the labor environment.

This initiative is linked to the initiatives of the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism for the realization of a physical Internet. It is attracting attention as a new model for cross-industrial logistics. Our reception of the award reflects the wide recognition this project's achievements have gained and the expectations for its continued development and expansion. Our goal is to be a leader in the business equipment industry driving innovation throughout the logistics industry.

change from a time-based management perspective to a task-based one. Specifically, the companies developed a new diagram based on the idea that trucks would depart when their loading ratio reached 100% and the loading of cargo for daytime services would start with cargo for which sorting had been completed.

With the new rules following the revision on February 8, 2024, the companies simultaneously achieved compliance with the revised laws (the elimination of long work hours for drivers), improved profitability (higher loading ratios and cost reduction), solutions to social issues (reduction of drivers' waiting time and driver income measures), and a reduction in CO<sub>2</sub> emissions. The CO<sub>2</sub> reduction is estimated to be 197.4 t-CO<sub>2</sub>/year, which is equivalent to an annual reduction of 4%.





# SAFETY

[Safety]

### Review of Initiatives

While the accident rate was reduced in fiscal 2023, three serious accidents occurred. We will aim to reduce the accident rate and eliminate serious accidents by taking further action.

### Major Indicators (Fiscal 2024 Results)

Group-Average Fuel Efficiency

5.05 km/ℓ

Number of Group Safety Training Sessions Conducted

155

Number of Transportation Safety Promotion Meetings Held

4 times

Number of Business Sites with G-Mark Certification (certification rate)

194 business sites (91.9%)

Serious Accident

3

Accident Rate (accident rate per vehicle)

0.77 % (0.81% in FY2023)



For details about our basic policy and promotion system regarding safety, please check our website.  
TOP → Sustainability  
<https://www.sbs-group.co.jp/sbshlds/csr/>

### Accident Rate per Vehicle

2022	2023	2024
0.98%	0.81%	0.77%

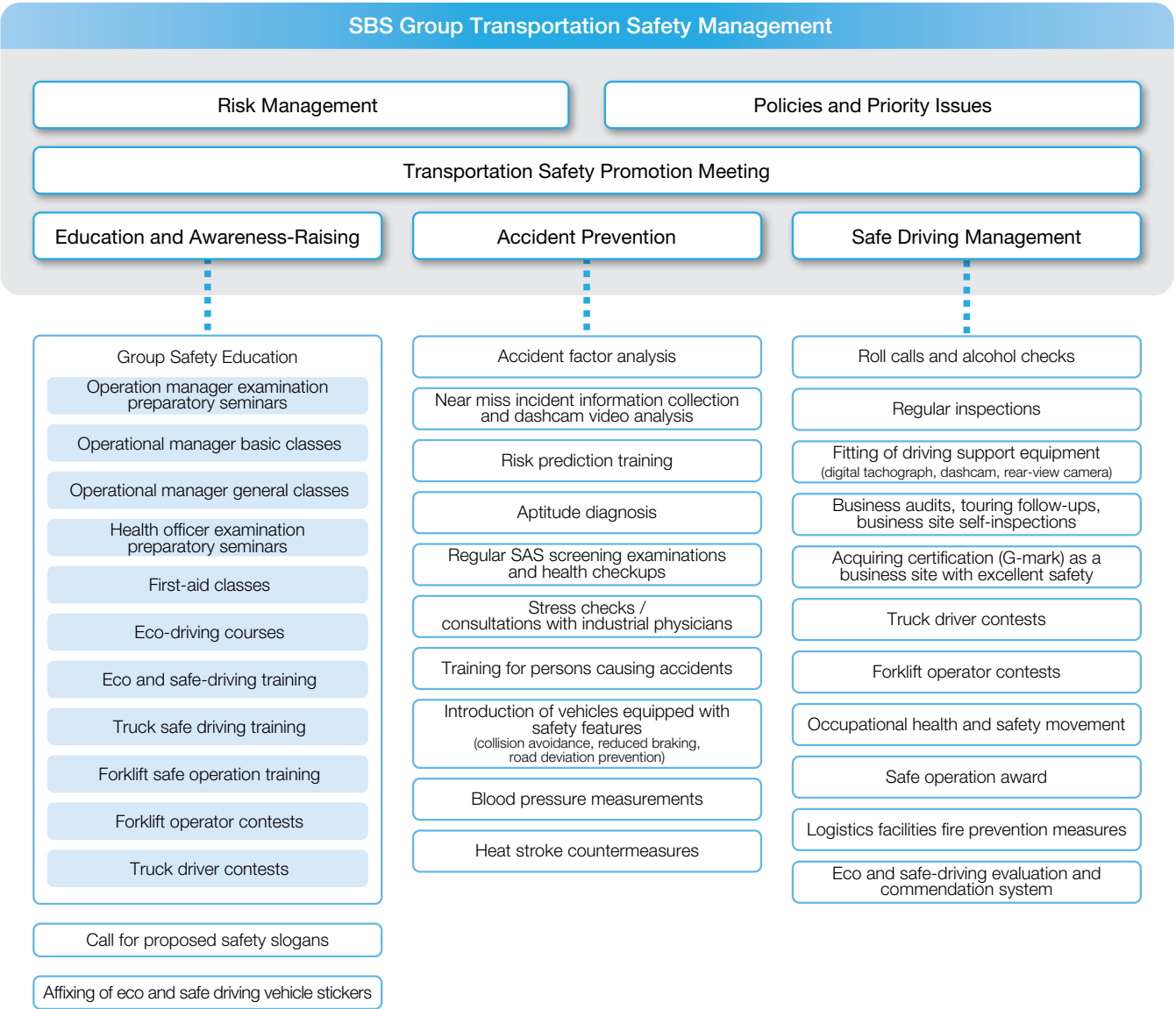
2026 target  
0.50%

### Operating Policy

Steady promotion of transportation safety management

### Priority Issues

- Reducing accidents (vehicle accidents, occupational accidents)
- Strengthening measures to prevent fire at logistics facilities (establishment of a fire prevention council)
- Strengthening measures to manage employee health (improved SAS measures)
- Improvement of fuel consumption



■ Transportation Safety Promotion Meeting

The SBS Group convenes quarterly transportation safety promotion meetings chiefly involving its 11 transportation-oriented Group companies. The meetings are mainly designed to share various information and initiatives related to transportation safety, including operational management tasks, the rollout of various operational measures aimed at business optimization, detailed analysis of vehicle and occupational accidents, and specific operations to prevent health-related accidents.

■ Group Safety Education

Regular determinations made by operational managers are extremely important in minimizing the risks of serious accidents and other risks. The SBS Group focuses on cultivating and improving the skills of operation managers and strives to raise the level of transportation safety management capabilities across the Group.

● SBS Group Safety Education Curriculum Implementation Status for Fiscal 2024

Curriculum	Number of Sessions Held	Number of Trainees
Operation manager examination preparatory seminars	2	61
Operation manager examination practice tests	10	127
Operational manager basic classes	2	47
Operational manager general classes	4	78
Health officer examination preparatory seminars	1	35
Regular first-aid classes	1	67
Safe driving workshop	155	1,201
Eco and safe driving training	1	12
Forklift safe operation training	4	57
Truck driver contests	1	221

● Number of Training Curriculum Sessions Held

181

● Number of Employees Attending Training Under the Curriculum

1,906



■ Standardization of Operational Management

The SBS Group, which is made up of multiple logistics companies, has prepared an operational management manual (in booklet and DVD form) that is common to the Group and makes efforts to standardize the knowledge and business operations of operational managers, maintenance managers and crew.

■ Safety Slogan

Each year the SBS Group accepts proposals from employees for a safety slogan to be used in Group-wide awareness-raising activities to foster pride as professionals with responsibility for safety. For fiscal 2025, one entry each was selected for the traffic safety slogan and business site safety slogan.

● Fiscal 2025 Traffic Safety Slogan

Keeping composure, courtesy, and professionalism in mind

Takayuki Ito, SBS Logicom Co., Ltd.

● Fiscal 2025 Business Site Safety Slogan

Continuing common practices prevents accidents

Masahiro Saishu, SBS Logicom Co., Ltd.



■ Affixing of Eco and Safe Driving Vehicle Stickers

Since December 2017, this sticker has been affixed to all SBS Group cargo vehicles. The sticker represents our promise to society that SBS Group vehicles take the environment and safety into consideration. We are conscious of being eco-friendly and safe drivers, and are committed to eco and safe driving.

■ Driver Health Management

The SBS Group not only takes steps to prevent overwork but also makes thorough efforts to regularly conduct health checkups and perform SAS (sleep apnea syndrome) screenings to prevent accidents attributable to employee health. SAS screening tests not only involve secondary screening but also regular monitoring after testing. Additionally, since there has also been an uptick in accidents related to brain disorders across society in recent years, we continually monitor the state of health of drivers by conducting brain MRI scans as necessary in order to ensure peace of mind and safety in our transportation operations.

■ Employee Heath Management

In light of recent rising temperatures, since fiscal 2018 the SBS Group has stepped up measures to combat heat stroke in its warehouses. We have thoroughly investigated information related to incidences of heat stroke and installed additional air conditioning equipment to enable proper temperature management within warehouse facilities. In addition, we actively advise drivers to run air conditioning continuously. As a result, we have managed to reduce incidences of heat stroke. We will continue to address this issue with the aim of completely eliminating cases of heat stroke among our employees.

Safe Driving Management

■ Expanding 5S Activities

The SBS Group began the expansion of 5S activities as part of health and safety management. By creating safe environments, pursuing improvement and standardization, and fostering a better workplace culture, we aim to further improve safety and the human resource development environment.

■ Truck Driver / Forklift Operator Contests

We have been holding contests since fiscal 2016 with the aim of having drivers and operators compete over their knowledge of advanced driving skills, inspection technologies and related laws and regulations, and hone skills through friendly competition. In addition, the contests aim to raise awareness of their social responsibilities as drivers and operators by acting as exemplary representatives of their respective workplaces. Each contest will improve the awareness and skills of individual drivers and cultivate a Group identity that pursues safe driving and operation.

■ Truck Driver Contests

The SBS Group has been holding Group-wide driver contests since 2016, aiming for an accident-free society and an accident-free logistics company. These contests are held with the goal of improving the knowledge and skills needed to drive safely, without accident. They are positioned as the culmination of the whole Group's health and safety management activities every year. In FY2024, the contest was held on November 16 at SBS Driving School Anesaki. There was a total of 28 men and women that participated in the contest, with 15 of them competing in the 4-ton truck division and 13 in the 1.5-ton truck division.



■ Raising Awareness of Accident Prevention and Safety

The SBS Group creates and displays various posters as part of efforts to prevent vehicles and occupational accidents, and to raise awareness about safety.



■ Fitting of Driving Support Equipment

All cargo vehicles operated by the SBS Group are fitted with digital tachographs. These devices not only ensure compliance with speed limits but also record, evaluate and analyze a wide range of information including sudden accelerations and decelerations, the opening and closing of doors, and idling information. This is used to prevent accidents, improve mileage and raise awareness about safe driving. In addition, all vehicles are equipped with dash cams, and we make every effort to improve safe driving habits by monitoring driving conditions. New vehicles are also equipped with rear cameras to prevent collisions when reversing and collision avoidance support systems. Going forward, the SBS Group will continue to enhance support for the safety of crew members.

■ Fire Prevention Measures at Logistics Facilities

In fiscal 2023, the SBS Group Fire Prevention Council was established. The aim of the council is to conduct inspections to diagnose site risks while sharing issues and improving the overall fire prevention measures. 30 sites were inspected in fiscal 2023. We will gradually expand the scope of inspections going forward.

■ Eco and safe-driving evaluation and commendation system

We implement an Eco and Safe-Driving Evaluation and Commendation System with the aim of achieving transportation safety and appropriate business operation by widely disseminating eco and safe-driving awareness and skills among SBS Group companies. The system awards commendations to business sites that have achieved excellent results in eco and safe-driving (based on evaluation items including fuel efficiency improvement rate compared with the previous year, and the implementation status of safe driving management and safety education). The SBS Group strives to improve quality in both environmental and safety terms through this system.

● Business Sites Awarded Eco and Safe-Driving Evaluation and Commendations in FY2024

Oita Office, SBS Flecnet Co., Ltd.
Fujioka Office, SBS Zentsu Co., Ltd.
Johoku Branch, Sokuhai Operation Division, SBS Sokuhai Support Co., Ltd.
Machine Logistics Section, Meiko Sales Office, Nagoya Branch, SBS San-Ai Logistics Co., Ltd.

■ Preventing Air Pollution

Harmful air pollutants emitted from vehicles are continually measured and managed. In recent years we have continued to update our vehicles and these emissions have been decreasing with each year.

Usage / Fiscal Year	2021	2022	2023	2024
Nox (unit: kg)	104,815	63,044	64,762	61,458
Year-on-year decline (%)	-24.58%	-39.85%	2.73%	-5.10%
PM (unit: kg)	2,587	1,600	1,681	1,570
Year-on-year decline (%)	-25.19%	-38.15%	5.06%	-6.60%



# SOCIAL

[Society]

## Review of Initiatives

The SBS Group regards the customers to whom it provides services, as well as shareholders and investors, the employees who work together with the Group, business partners including suppliers, contractors and the local communities where the Group does business as major stakeholders. To stakeholders, we commit to putting the customer first, making appropriate information disclosures, developing a comfortable workplace, cultivating partnerships and contributing to local communities, and we endeavor to reflect these commitments in our corporate activities through wide-ranging dialogue with stakeholders. We have established a Code of Behavior prescribing compliance with laws, manners and morals, environmental conservation and social contribution as a corporate citizen, and strive to coexist with society.

## Major Indicators (Fiscal 2024 Results)

Promoting the appointment of women to managerial positions (percentage of women in all managerial positions)

**7.1** % (Six major companies)

Percentage of eligible male employees taking childcare leave

**100** %

Annual paid leave acquisition rate

**55.3** %

Food bank support results

**3,502** thousand yen

SBS Kamata Foundation

Logistics Research

GrantsScholarship assistance

**5**

**55** students

For details about our basic policy and promotion system regarding society, please check our website.  
TOP → Sustainability  
<https://www.sbs-group.co.jp/sbshlds/csr/>



## Engagement with Customers and Society

### Quality Management System

Each Group company in the SBS Group has established a quality management system and we endeavor to maintain and improve the quality of the transportation and services we provide. In addition to the international ISO9001 standard that indicates systematic requirements for quality management systems, we have also obtained other appropriate certifications including ISO27001 certification for information security management systems, the Privacy Mark related to the protection of personal information, as well as JAS Organic Agricultural Product Subdivider Certification and the Relocation Safety Mark.

### Implementation of Improvement Activities

The SBS Group conducts a wide range of improvement activities and holds an Improvement Contest designed to recognize achievements in those endeavors and share outstanding expertise. For its part, SBS Ricoh Logistics System holds a Global KAIZEN Contest under the themes of KAIZEN and Reform incorporating management issues. Meanwhile at SBS Zentsu, the Home Delivery Division responsible for the delivery of foods at the four temperature ranges holds Improvement Example Presentations to develop a comfortable workplace environment, and has workers compete and learn home delivery customer service skills through the "Customer Service Master Contest." SBS Flecnet holds Business Improvement Presentations with the aim of providing better services and developing an improved work environment. Each of these initiatives is not only an opportunity to raise awareness of issues and share lessons, but is also positioned as an opportunity to develop a positive corporate culture.

### Provision of Information

In addition to disclosing information about the business operations it is entrusted with, the SBS Group earns the trust of stakeholders by providing a range of information with a focus on customers. The LOGILINK, a logistics-oriented PR publication issued by SBS Logicom for customers, has earned a favorable reception among companies, groups and government organizations as a medium for disseminating useful information to those responsible for and involved with logistics, including

case studies of logistics solutions and the latest information. Everything from the expertise and functions of SBS Logicom logistics services to the ingenuity of its staff is introduced in an easily understood format that illustrates SBS Logicom's collective strength as a logistics company.

The SBS Group strives to engage in dialogue as well as disclosing and providing information by developing and utilizing means of communication with various stakeholders.

#### Communication with Employees

Publication of the SBS Express Group magazine

**1** printed publication, **148** online publications

#### Communication with the Media

Number of press releases

**124** press releases (25 of which were IR news releases)

#### Website Information

**9**

#### Communication with Shareholders and Investors (FY2024 Q1-Q4)

Total Financial Results Briefing Attendees

Interim: **81** attendees, year-end: **52** attendees,

total: **133** attendees

Small Meetings

**3** times **25** \* Responses to Investors and Analysts 115/year

#### Website Communication

Number of Visitors \* Figures in parentheses are for SBS Holdings

**1,481,753** (372,382)

Page Views

**4,599,442** PV (1,136,279PV)

## Engagement with Business Partners

The SBS Group engages with our business partners based on the principle of partnerships based on mutual benefit. However, this is not always ensured. In March 2024, the Japan Fair Trade Commission published SBS Flec's name to point out the company had not taken action to ensure transaction prices reflected rising energy and other costs. The SBS Group took this seriously, and we have expressed a "Partnership Building Declaration," in which we actively commit to engaging in fair transactions to further develop relationships of trust with business partners. The Partnership Building Declaration is a voluntary initiative implemented by the Ministry of Economy, Trade and Industry in cooperation with relevant ministries and agencies to create relationships of prosperous coexistence throughout companies' supply chains.



Group companies that have expressed a "Partnership Building Declaration"

SBS Holdings Inc. / SBS Toshiba Logistics Co., Ltd. / SBS Logistar Corporation / SBS Ricoh Logistics System Co., Ltd. / SBS San-Ai Logistics Co., Ltd. / SBS Global Network Co., Ltd. / SBS Logicom Co., Ltd. / SBS Freight Service Co., Ltd. / SBS Logicom Kanto Co., Ltd. / KYOKUSHIN TRANSPORT CORPORATION/ SBS Flec Co., Ltd. / SBS Flecnet Co., Ltd. / Hinomaru Kyuso Co., Ltd. / SBS Zentsu Co., Ltd. / SBS Sokuhai Support Co., Ltd. / SBS Furukawa Logistics Corp.

Based on its philosophy that “long-term prosperity is rooted in paying the necessary attention to people,” the SBS Group regards human capital as its most important resource in corporate value creation. In keeping with this approach, we will promote understanding towards diversity, initiatives to eradicate harassment and workstyle innovation in an integrated fashion with respect for human rights as the basis, striving to cultivate human resources and maximize their ability to create value.

Materiality: Human Capital

We have identified human capital as a material issue and positioned it at the core of our sustainability management strategy. We will focus on securing and cultivating talented human capital and improving productivity in an effort to enhance corporate competitiveness.

Human Capital Management

In its three-year medium-term management plan SBS Next Stage 2025, the SBS Group aims to enhance corporate value and competitiveness by bolstering human resource and organizational capabilities within the Group, and has established a basic strategy regarding human capital management. We will invest in the human resources of the future and develop the infrastructure for disclosing related information based on this basic strategy.

Education and Awareness Raising for Human Resource Development

The SBS Group provides wide-ranging education and training to all employees working at Group companies in accordance with the Basic Policy on Human Resource Development. The composition of training is systematically organized into tiered training, theme-specific training, specialist training and personal development support, and is designed to help employees improve their skills and develop their careers.

Creating Comfortable Workplace Environment

The SBS is committed to developing a workplace in which anyone can work with peace of mind and demonstrate their capabilities based on the promotion of diversity and workstyle reforms. As a part of these efforts, measures addressing the COVID-19 pandemic provided the opportunity to develop telework and work-from-home systems for the administrative divisions. Going forward we will continue to help employees balance

work and home life so that we can provide diverse and flexible working styles based on changing circumstances. As systems for supporting the active participation of women, flextime, half day-off, and hourly time-off systems had been introduced at major Group companies by FY2024. In FY2025, we began to design and introduce SBS Group common systems.

Basic Strategy on Human Capital Management

- 1: Support employee skills and career development
  - Formulate a flexible human capital portfolio based on business strategy and secure the appropriate talent
  - Develop various personnel systems that will become the Group standard (framework)
  - Conduct various training (tiered, specialized themes, departmental) and run a next-generation leader development program
- 2: Improve employees' work-life balance
  - Develop welfare systems that will become the Group standard (framework)
  - Improve figures with statutory disclosure requirements, namely eligible male employee childcare leave usage and annual paid leave usage rates
- 3: Develop an environment enabling employees to flexibly balance life events with work
  - Strengthen activities that promote the active participation of women and develop environments that champion the success of women
- 4: Achieve productive employment and fulfilling, dignified work (decent work)
  - Improve employee engagement and ensure that the statutory employment rate for people with disabilities is met
- 5: Reorganize and build human resource contracting operations toward Group-wide optimization and improve the level of services
  - Develop mechanisms to improve operational quality and productivity and improve operational quality
  - Achieve stable personnel management operations at the EC Noda Seto Logistics Center

SBS Group Training Results (FY2024)\*

Numbers of courses and trainees of next-generation development, job class-specific, field-specific, specialized theme-specific, and self-development training programs

Number of Courses

143 courses

Number of Trainees

12,628

\* See ESG Data (pages 87 and 88) for a breakdown of the SBS Group's training results.

Creating Comfortable Workplace Environment

Percentage of eligible male employees taking childcare leave (SBS Holdings only)

100% (Fiscal 2024 result)

Annual paid leave acquisition rate (SBS Group)

55.3% (Fiscal 2024 result)

Diversity and Inclusion

The SBS Group has established the SBS Group Diversity Policy, positioning diversity and inclusion as an important management strategy. Through three action plans, we are driving the development of an environment in which anyone can work with enthusiasm and demonstrate their capabilities.

[Action Plans]

- Respect the individuality of a diverse range of employees
- Help employees let their individuality shine brighter
- Endeavor to foster an organizational culture that utilizes the diversity of employees

Health and Productivity Management

The SBS Group supports health and productivity management. Through it, employees' health is seen from a management perspective and actions are taken strategically to improve the value of human resources. It has begun to implement initiatives to obtain certification. In June 2025, we published our Health and Productivity Management Declaration internally and externally.

Ensuring Decent Work

The SBS Group has developed its personnel labor management system so that all employees can receive fair compensation commensurate with their work. In the SBS Group Human Rights Policy, the SBS Group has set forth initiatives regarding respect for human rights in its business activities. We have also laid out a Declaration on Respect for Human Rights and Elimination of Harassment, and promote understanding and thorough compliance on the part of employees with regard to respect for human rights and harassment prevention.

Support for women's participation and advancement

Ratio of females in managerial positions

6.2% (Fiscal 2024 results) 8.0% (Fiscal 2025 target)

Promoting diversity (training attendees)

508 (Fiscal 2024 results) 500 (Fiscal 2025 target)

Improvement of Employee Engagement (FY2024)

Average score

46.9

Interviews to promote DEI

At the SBS Group, we conduct face-to-face interviews with diverse human resources as an initiative to promote DEI. We summarize the workstyles and thoughts of these people in articles and publish them individually in the SBS EXPRESS internal newsletter and on bulletin boards at each site, thus promoting people's understanding of DEI. This initiative is also opportunity for people to learn about other Group companies and additional effects of the program have been seen, such as it leading to a sense of unity within the Group and increased employee motivation.

SBS Holdings Inc. Health and Productivity Management Declaration

We regard “paying the necessary attention to people,” which is a part of the management philosophy of the SBS Group, as the source of our creation of value and our competitive advantage. In our efforts to enhance our corporate value, we invest in human resources, rolling out our corporate activities to enable all of our stakeholders, including our customers, business partners, shareholders, local communities, and employees, to realize their dreams. The health and safety of our employees is essential in our corporate activities. Employees voluntarily implement initiatives for the maintenance of their own health, and Group companies proactively support their health improvement activities.

June 2025  
Masahiko Kamata, President  
and Representative Director



Eruboshi Certification for Promoting Women's Participation and Advancement in the Workplace  
\* SBS Holdings



Kurumin Certification for companies offering childcare support to employees  
\* SBS Holdings



Certification System for Pleasant Workplace Development (Automotive Transport Business Operators)  
\* SBS Ricoh Logistics, SBS San-ai Logistics and SBS Zentsu



Silver Certification for Excellent Health Company  
\* SBS Holdings



Endeavoring to build an environment that facilitates the taking of childcare leave by anyone who desires to  
\* SBS Holdings



SBS Holdings participates in the Human Capital Management Consortium, in which the Financial Services Agency and the Ministry of Economy, Trade and Industry participate as observers. In an effort to gain deeper insight into human capital management by sharing information and exchanging opinions with the consortium's member companies, we strive to further accelerate investments in human capital representing the next generation of the SBS Group, and achieve sustainable growth alongside enhanced corporate value.





# DEI in action

## 2024 Interviews for the Promotion of DEI

From July to December 2024, we interviewed female SBS Group employees with the potential to be role models. We interviewed 30 people from 19 companies and published the interviews in our internal newsletter. In addition to promoting people's understanding of DEI, we

interacted with interviewees and people in charge of promoting DEI at Group companies, thereby building a collaborative system for promoting DEI throughout the SBS Group. In FY2025, we plan to hold round-table DEI TALK in addition to continuing and expanding the interviews.



I believed that, to know logistics, I had to start by knowing the sites. Therefore, I wanted to work on site when I was a new employee, and I quickly acquired a forklift license. Now, I am concurrently in charge of office work and onsite work. I work hard while also putting all my energy into caring for my children.  
Section head, SBS Ricoh Logistics System Co., Ltd.



I propose optimal transportation means and logistics improvements leveraging the expertise in international transportation I have cultivated to date. At the same time as I am handling a wider range of products and increasing my knowledge on imports and exports, I would also like to contribute to collaborations in international transportation within the SBS Group.  
Supervisor, SBS Toshiba Logistics Corporation



I am the first female manager of SBS Flecnet in Kyushu. I was encouraged by someone saying, "Just tell me what you can't do." I will balance childcare and work, hoping to lead one or two people to follow my example.  
Manager, SBS Flecnet Co., Ltd.



I strongly wanted to be a large truck driver because of my father. I served as a Japan Self-Defense Forces Officer, worked for a logistics warehouse, raised two children, and joined the company as a driver in my early 30s. The ten years I've worked for the company have been fulfilling, and I feel I have begun to understand logistics. I leverage this experience in my administrative work.  
Administrative worker and driver, Hinomaru Kyuso Co., Ltd.



I am responsible for out-tasking services and work in the shipper's office. I am also a coordinator for other members and work on human resources development. I would like to develop an environment where highly capable female employees can balance work and childcare energetically.  
Section head, SBS Freight Service Co., Ltd.



I joined the company as a part-time worker in charge of the boxing line for individual deliveries when the Oyama Center was established in 2017. As a manager, I hope to create a lively workplace where part-time workers can work comfortably for a long time.  
Supervisor, SBS Zentsu Co., Ltd.



I try to respond to customers by paying attention to how they feel and giving them easy-to-understand explanations. Going forward, drawing on my own hard experiences during the COVID-19 pandemic, I would like to create an environment where everyone can do standard operations so that all employees can work with peace of mind.  
Administrative worker, SBS Finance Co., Ltd.



I am in charge of route delivery. I also do heavy lifting with the assistance of customers who support my deliveries every day. I desire to continue to work as a driver or to work supporting drivers.  
Driver, Kyokushin Transport Corporation



Onsite adjustments for the nationwide delivery of products manufactured at the Chiba Works of Furukawa Electric sometimes proceed with difficulty, but I try to work sincerely with each one of our workers, including senior workers. I would like to work hard to build an environment which reduces the burdens on workers and enables them to work efficiently.  
Administrative worker, SBS Furukawa Logistics Corp.



I have been working for ten years, creating documents for use inside and outside the SBS Group, supporting operations, and consulting with people regarding improvement activities while exposing myself to different cultures. I would like to be involved in overseas business strategies in the future where I can leverage the knowledge I have gained through my experiences.  
Chief, SBS Global Network Co., Ltd.



Previously, I worked for a hospital as a national registered dietitian. I felt constrained there, which is why I changed jobs. The Fuchu Sales Office workplace is open, and the number of team members is small. I became a regular employee in my second year. Engaging in a wide range of jobs, I have begun to want to be involved in new projects in the future.  
Administrative worker, SBS Logistar Corporation



As an employee who joined the company as a new graduate, I have been involved in the SBS Group's pilot projects implemented in anticipation of the development of e-commerce. Experimentation to cater to new needs has aided my personal development. I will contribute to increasing the corporate strength of the SBS Group together with the other members of the Group who are very diverse.  
General manager, Marketing Partner, Inc.



Our duty is to give shape to envisioned sales schemes by thinking together with people working on site. We also intend to facilitate fee negotiations and increase our human resource retention rate. I would like to expand my work through new encounters.  
Section chief, SBS Logicom Co., Ltd.



I had no experience in logistics, but I was given an offer and worked on the management and operation of logistics sites and quality control. I was assigned to work as a supervisor in my third year, and every day I am 100% satisfied with my job. I would like to engage in work related to human resource training in the future.  
Supervisor, SBS Sokuhai Support Co., Ltd.



I became an apparel salesperson as a new graduate, worked for six years, and then worked as a backroom staff member before I joined SBS Staff. Now my job is to support dispatched staff, which I do carefully and cordially.  
Administrative worker, SBS Staff Co., Ltd.



I quit my previous job and dedicated myself to being a homemaker for ten years before I gave working outside the home another try. I feel that work related to solar power generation, which I am in charge of, is my vocation. I aim to be a specialist. I would like to build a child-friendly future by proactively addressing environmental problems.  
Section head, SBS Asset Management Co., Ltd.

### The SBS Flec Group's WA! Project

For six months beginning in August 2022, the SBS Group implemented a ten-session program to advance the participation of female managers. In response, the SBS Flec Group launched the WA! Project in July 2023 with the goal of continuing to provide opportunities for female managers to communicate and improving employee engagement. The activities have been continued mainly through the sharing of thoughts and problems that are unique to female managers, holding study sessions, and producing role models. The initiatives to accelerate the speed of development of next-generation female leaders and build a foundation that permits them to envision career steps without worries have enough momentum to spread all over the SBS Group.

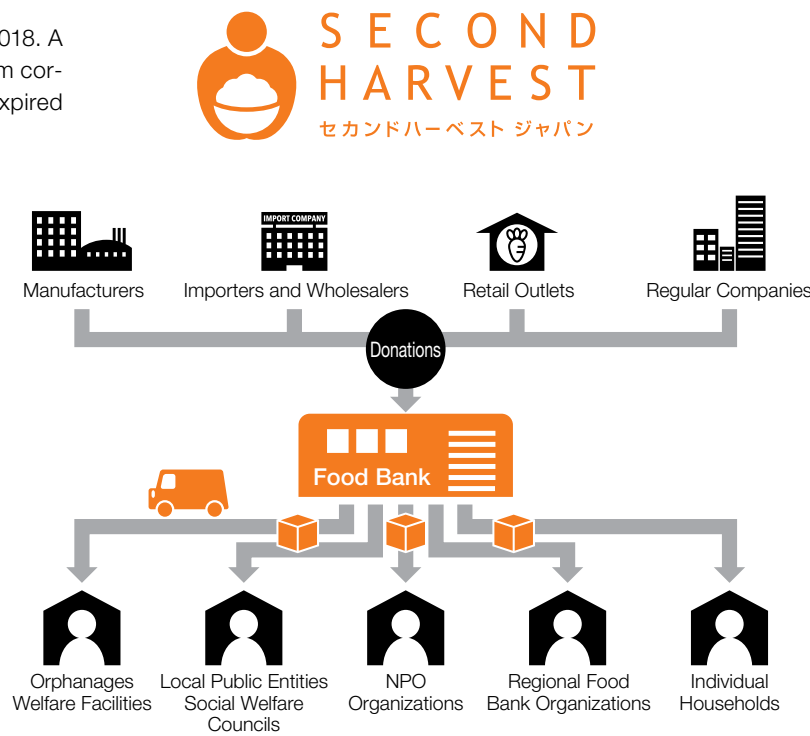




The SBS Group uses its business resources to solve social issues. At the same time, it has been taking on challenges in pursuit of ways to improve its logistics services so they are more excellent.

Support for Food Banks

The SBS Group began food bank support activities in 2018. A food bank is an activity or organization that collects from corporates and other organizations food that has not yet expired but cannot be sold for various reasons and distributes it to people in need (people in distress). We support Certified NPO Organization Second Harvest Japan (2HJ), the largest food bank in Japan which is based in Asakusabashi, Taito-ku, Tokyo. Logistics are an essential component of a food bank's activities, and the SBS Group supports food banks to facilitate their activities. We provide support in two main ways, firstly providing the temporary transportation of goods between food donors and 2HJ sites, and secondly providing advice and recommendations on warehouse management and vehicle operation. For the temporary transportation of goods, when there is no way for 2HJ to secure a vehicle or manpower, an SBS vehicle can be used as an alternative transportation service. On rare occasions when the 2HJ warehouse is full, we receive requests to store supplies and respond as needed. The food bank support not only contributes to strengthening the food lifeline for people in need, but also contributes to the reduction of food loss, which is a recent social problem. In the future, we will continue to work together with 2HJ to create a society where people have a place they can turn to when they encounter difficulties with food.



Food Bank Support Results (Transportation and Storage)  
Thousand yen

	2018	2019	2020	2021	2022	2023	2024	Total
	470	540	2,220	2,412	2,924	1,359	3,502	13,427

The SBS Group's Major Social Contribution Initiatives

Types	Nature of Support and Recipients	Details of Support	Reception / Implementation
Coordination with the social sector	Support for food banks (Certified NPO Organization, Second Harvest Japan)	Transportation support connecting companies that wish to donate food to Second Harvest Japan (2HJ) with 2HJ logistics sites. In addition, advice and proposals on warehouse management and vehicle operation are also provided.	Implemented at the request of 2HJ
	Support for environmental conservation activities (Public Interest Incorporated Foundation, OISCA)	Sponsorship and support activities (participation in forest conservation activities, donations of collected items such as used books)	Collected items are accepted at any time
	Support for overseas humanitarian activities (SHAPLA NEER Citizens' Committee in Japan for Overseas Support)	• Collection and donation of used stamps • Fairtrade sales events (sales of products produced by South Asian production associations)	• As needed • 2 times a year
Contributing to the local community	Social contribution-oriented sales drives (Shinjuku Fukushi Sagyousyo, a welfare workplace)	We sell sweets and bread made at Shinjuku Fukushi Sagyousyo (a welfare workplace where people with disabilities are involved in the work).	3 times a year Shinjuku head office of the SBS Group
	Participation in a cleaning event in Shinjuku-ku (Shinjuku-ku)	Participation in a clean-up event hosted by the government of Shinjuku-ku	5 times a year
	Clean-up activities in the area around the Group head office	Clean-up activities in the area around the SBS Group's head office building (Sumitomo Realty & Development Shinjuku Grand Tower)	6 times a year
Others	Activities at each SBS Group site	Clean-up activities, donations, traffic safety activities, participation in other activities of local governments, etc. (As the support has spread, the "randoseru" backpacks have become a symbol of education in Afghanistan.)	As needed

\* In addition to the activities listed above, individual SBS Group companies also undertake various social contribution activities.

Logistics Research Grants

The foundation conducts aid activities with the aim of supporting academic research into logistics, which is part of social infrastructure, and contributing to the development of the industry as a whole and the betterment of people's lives, for instance by using the fruits of research to improve logistics efficiency and prevent accidents.

Applicable Research

(1) academic research and (2) the holding of research workshops, symposiums, seminars, etc. that contribute to the promotion or development of logistics are eligible.

\* Examples of the themes addressed: improving logistics efficiency, improving safety in cargo transportation and reducing the impact on the global environment (reducing CO<sub>2</sub> emissions) through better logistics systems  
Grant Amounts: Total of 3,000,000 yen, up to 500,000 yen per individual grant.

Grants Issued in Fiscal 2024

5

Scholarships for Students Receiving Social Care

This project provides scholarship funding to motivated and talented students and other persons to prevent them from abandoning education for economic reasons, with the aim of contributing to equal opportunity in education and the development of human resources, while helping enhance education and welfare.

Application Requirements

Students who are generally at least 18 years old and have been accepted for enrollment into higher education, who are children residing in a child welfare home or living in a foster home in the Kanto region, and who plan to advance to university, junior college, a vocational school or similar

Scholarship Amounts

300,000 yen per student (as a higher education allowance)

Number of Scholarship Recipients in Fiscal 2024

55

Results of Issued Grants and Awarded Scholarships

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Logistics research grants	Number of projects	6	7	7	9	6	6	4	7	5	5	57
	Grant amount	2,994	3,374	3,300	4,499	2,995	2,600	2,000	3,434	2,000	2,500	29,696
Number of scholarships granted	Number of participants	-	-	30	34	57	74	76	86	51	55	463
	Grant amount	-	-	9,000	10,200	16,800	21,000	22,800	25,800	15,300	16,200	137,100

\* Amounts are units of a thousand yen

Clean Activities

The SBS Group began cleaning up the Shinjuku Station West Exit area in February 2024, aspiring to contribute to the cleanliness of the city by collaborating in a Shinjuku-ku government cleanup campaign. This initiative was part of Sincere Challenge 2030. This fiscal year, the Sustainability Promotion Department will host and plan the activity, accelerating the SBS Group's contributions to society and environmental beautification we are involved in as a company, along with the enhancement of SBS Group employees' environmental awareness.



Fair trade product sales events

In fair trade initiatives, developed countries which are in an economically and socially advantaged position engage in fair trade with producers and workers in developing countries with the goal of improving the lives of producers and workers living in developing countries and enabling them to be independent. The SBS Group holds fair trade sales events to create opportunities to enjoy learning about fair trade internally and pick up those products.



Endowed Course at the University of Tokyo

Together with Yamato Holdings Co., Ltd. and Suzuyo & Co., Ltd., SBS Holdings Co., Ltd. has established the Endowed Research Department for Advanced Logistics Science at the Research Center for Advanced Science and Technology, the University of Tokyo. In April 2020, we began offering courses designed to cultivate human resources who can use advanced science and technology to transform logistics, with the aim of solving issues faced by logistics companies and contributing to the development of the Japanese economy. In June 2024, we held a symposium commemorating the fifth anniversary of the establishment of the department.





# GOVERNANCE

## [Governance]

### Basic Approach

As the holding company of the SBS Group, SBS Holdings ("the Company") ensures the efficiency, soundness and transparency of overall SBS Group management. Additionally, to continually enhance corporate value and become a company that earns the trust of society, the Company promotes compliance and risk management Group-wide.

### Major Indicators (Fiscal 2024 Results)

#### Outside Directors

**4** (out of 11 directors)

\* As of June 2025: 5 outside directors (out of 12 directors)

#### Board of Directors meeting attendance rate by outside directors

All Directors: **99.3%**

Outside Directors: **98.2%**

#### Audit & Supervisory Committee meeting attendance rate

**100%**

#### Assessment of Internal Control Related to Financial Reporting for Fiscal 2024

**Valid**

#### Number of Board of Directors Meetings and Status of Attendance (FY2024)

Number of Sessions Held	14
Attendance Rate (%)	All Directors (11 members) 99.3%
	Outside Directors (4) 98.2%

#### Number of Audit & Supervisory Committee Meetings and Status of Attendance (FY2024)

Number of Sessions Held	14
Attendance Rate (%)	100%



See the SBS Group website for details about corporate governance.

Systematic disclosure information including the following materials is posted on the website.

- The SBS Holdings Corporate Governance Guidelines, which summarize the basic framework and approaches concerning corporate governance at SBS Holdings
- The Corporate Governance Report submitted to Tokyo Stock Exchange, Inc.
- Internal Control Reports on the effectiveness of internal controls with regard to financial reporting

TOP → Sustainability → Corporate governance

<https://www.sbs-group.co.jp/sbshlds/csr/governance>

### ■ Corporate Governance System

SBS Holdings is a company with an Audit & Supervisory Committee and has established a General Meeting of Shareholders, Board of Directors, Audit & Supervisory Committee and Accounting Auditor as corporate bodies. There are two reasons why the Company has adopted this current structure: (1) to ensure the swift decision making and the flexibility of decision-making bodies as the greatest management strengths of SBS Holdings and the SBS Group; and (2) to firmly maintain sound management through the objective and neutral monitoring of management.

#### [General Meeting of Shareholders]

The Company regards those shareholders listed or registered in the final shareholders' register as of December 31 of each year to be the shareholders entitled to exercise their rights at the Ordinary General Meeting of Shareholders in that fiscal year. The Ordinary General Meeting of Shareholders is convened within three months of the day following the last day of each fiscal year. In addition, extraordinary general meetings of shareholders are convened whenever necessary. The General Meeting of Shareholders is convened and chaired by the President and Representative Director. Resolutions made as decision-making mechanisms at the General Meeting of Shareholders are carried out based on a majority of the voting rights of shareholders who are present and entitled to exercise their rights, except when otherwise provided for by law or the Articles of Incorporation.

#### [Board of Directors]

The Company's Board of Directors comprises 12 members, five of whom are outside directors. Except when otherwise provided for by law, the Representative Director and President shall convene and chair meetings of the Board of Directors, but an Audit & Supervisory Committee member appointed by the Audit & Supervisory Committee may also convene Board of Directors meetings. As a decision-making body, the Board of Directors decides on matters required by law, matters set forth in the Articles of Incorporation, management policy and important matters related to management. The board also monitors and supervises directors in the performance of their duties. Resolutions of the Board of Directors are passed when a majority of directors eligible to take part in votes are present, based on a majority of the votes of those directors in attendance. The Board of Directors meets at least once a month and on an extraordinary basis when necessary, operating under a

structure that enables swift and effective decision making on the part of directors. In addition, some directors with the exception of outside directors serve concurrent roles as directors of the Group's major subsidiaries, in order to enable the deliberation of important matters concerning subsidiaries and facilitate smooth communications within the SBS Group through their attendance at Board of Directors meetings. An executive officer system has been introduced to speed up decisions on management strategy and further enhance systems for the execution of business.

#### [Audit & Supervisory Committee]

The Audit & Supervisory Committee is made up of three directors who are Audit & Supervisory Committee members, two of whom are outside directors. The Audit & Supervisory Committee meets at least once a month and on an extraordinary basis when necessary and fulfills the role of auditing and supervising the execution of duties by members of the Board of Directors other than Audit & Supervisory Committee members and matters of legality. The Audit & Supervisory Committee members, primarily its chairperson Yuya Kawai, also attend Board of Directors meetings and other key internal meetings where they provide advice as necessary.

#### [Nomination and Compensation Committee]

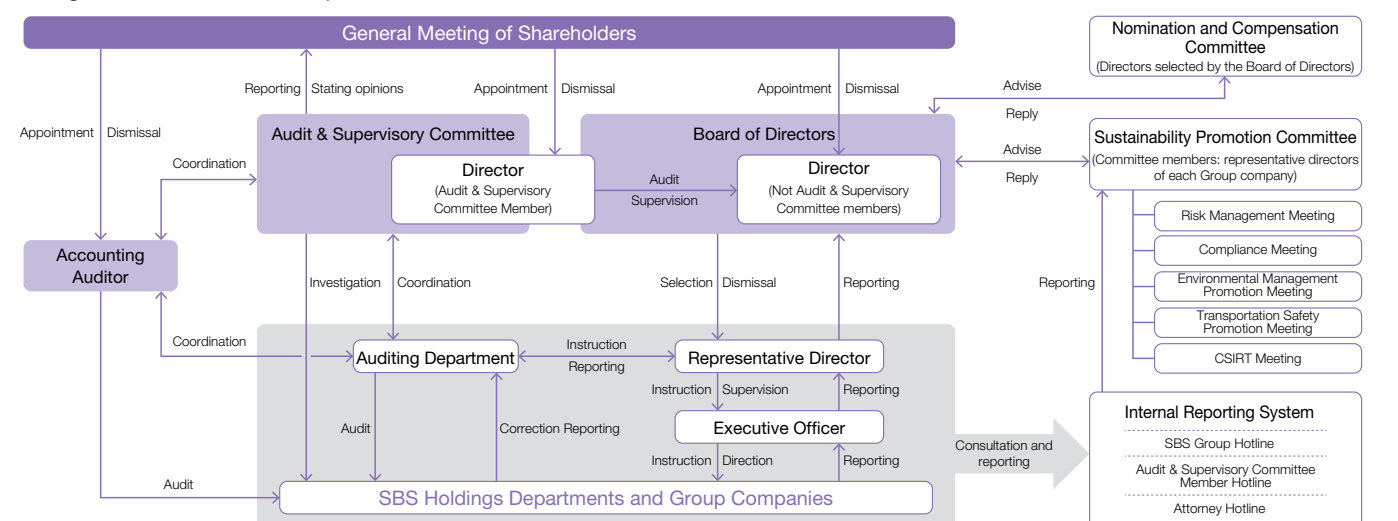
The Nomination and Compensation Committee is made up of three directors, two of whom are independent outside directors. The committee meets at least once a year and on an ad-hoc basis whenever necessary, and works to strengthen the fairness, transparency and objectivity of procedures concerning the nomination and compensation, etc. of directors and Audit & Supervisory Committee members. Outside director Jiro Iwasaki services as chairperson of the committee.

#### [Accounting Auditor]

The accounting auditor is selected by the Audit & Supervisory Committee based on a comprehensive evaluation, including that it possesses a certain size and global network enabling effective auditing consistent with the Company's business activities, that it has developed review systems, as well as its auditing track record.

Audit & Supervisory Committee members and the Audit & Supervisory Committee formulate criteria for appropriate evaluations concerning the independence of the accounting auditor and audit quality control operations and verify and confirm that the accounting auditor has required expertise.

### ○ Organizational Chart of Corporate Governance







<b>Yoshinobu Kosugi</b> Outside Directors	<b>Katsuhisa Wakamatsu</b> Director, Executive Officer Group Business Strategy Department E-Commerce Business Promotion Department	<b>Natsuki Gomi</b> Director, Executive Officer Chief Financial Officer (CFO) In charge of IR Corporation Communications Department, Finance Department, and Accounting Department	<b>Chizu Sekine</b> Outside Directors	<b>Sachie Tsuji</b> Outside Directors Audit & Supervisory Committee Member	<b>Yuya Kawai</b> Director Full-time Audit & Supervisory Committee Member	<b>Eiichiro Washio</b> Outside Directors Audit & Supervisory Committee Member	<b>Jiro Iwasaki</b> Outside Directors
<b>Masato Taiji</b> Director, Managing Executive Officer In charge of Auditing Department, Personnel Affairs Department, General Affairs Department, and Logistics Quality Control Department		<b>Masahiko Kamata</b> President and Representative Director Representative Executive Officer		<b>Shuichi Hoshi</b> Director and Senior Executive Officer In charge of Sustainability Promotion Department		<b>Yasuhito Tanaka</b> Director, Managing Executive Officer In charge of Corporate Planning Department, Business Development Department, and Legal Affairs Office	



Board of Directors



**Masahiko Kamata**  
President, Representative Director and CEO

Mr. Kamata has served as the Company's President and Representative Director since March 1988, and as CEO since March 2004. He also serves as representative director of SBS Group companies, including SBS Logicom Co., Ltd., SBS Sokuhai Support Co., Ltd., and SBS Toshiba Logistics Co., Ltd., and as a director of SBS Flec Co., Ltd., SBS Zentsu Co., Ltd., and SBS Ricoh Logistics System Co., Ltd. Since July 2013, he has also served as director of the SBS Kamata Foundation.



**Shuichi Hoshi**  
Director and Senior Executive Officer  
In charge of Sustainability Promotion Department

After heading the Food Products Marketing & Distribution Department and working as an executive officer at ITOCHU Corporation, he was President and Representative Director of Itochu-Shokuhin Co. Ltd. From March 2019 he served as an Outside Director of SBS Holdings, and since July 2023 has been appointed Director and Senior Managing Executive Officer. In March 2024 he became Representative Director, Chairperson and CEO of SBS Flec Co., Ltd., and in the same month was appointed a director of SBS Zentsu Co., Ltd.



**Masato Taiji**  
Director, Managing Executive Officer  
In charge of Auditing Department, Personnel Affairs Department, General Affairs Department, and Logistics Quality Control Department

He has served as General Manager of the Human Resources Division of Tokyu Logistics Co., Ltd. and TL LOGICOM Co., Ltd., both of which are currently SBS Logicom Co., Ltd., and has been a Director of SBS Holdings since March 2017. He has also served as Managing Executive Officer (in charge of personnel and general affairs) since March 2019, and as a director of SBS Logicom Co., Ltd. since March 2022.



**Yasuhito Tanaka**  
Director, Managing Executive Officer  
In charge of Corporate Planning Department, Business Development Department, and Legal Affairs Office

After working at The Sumitomo Bank, Ltd. (now Sumitomo Mitsui Banking Corporation), he assumed the post of Assistant General Manager of the Corporate Planning Department of SBS Holdings in November 2010. He served as an Executive Officer of SBS Holdings from December 2018, then as a Director from March 2021, and was appointed Managing Executive Officer in March 2024. He also serves as a director of SBS Asset Management Co., Ltd., L-MAX Co., Ltd., SBS Ricoh Logistics System Co., Ltd. and SBS Toshiba Logistics Co., Ltd.



**Natsuki Gomi**  
Director, Executive Officer  
Chief Financial Officer (CFO)  
In charge of IR Corporation Communications Department, Finance Department, and Accounting Department

After working at the Long-Term Credit Bank of Japan (now SBI Shinsei Bank, Ltd.), Rakuten Group, Inc. (Executive Officer) and the Nomura Trust and Banking Co., Ltd. (Senior Corporate Managing Director), in July 2021 he took on the post as advisor to SBS Holdings and served as an Executive Officer of the Company starting in October 2021. In March 2023 he assumed the post as a Director of SBS Holdings, and concurrently serves as a director of SBS Asset Management and L-MAX Co., Ltd.



**Katsuhisa Wakamatsu**  
Director, Executive Officer  
Group Business Strategy Department  
E-Commerce Business Promotion Department

After working as head of the Production Management Center at Ricoh Company, Ltd., in October 2011 he became a director and executive officer of Ricoh Logistics System Co. Ltd. (now SBS Ricoh Logistics System Co., Ltd.) and became Representative Director, President and Chief Executive Officer in October 2013. He has served as a Director of SBS Holdings since March 2019, and as an Executive Officer (in charge of the Business Strategy Division) since March 2023. He also holds a concurrent post as a director of SBS Toshiba Logistics Corporation.



**Jiro Iwasaki**  
Outside Directors

Mr. Iwasaki serves as a Director and Senior Executive Officer at TDK Corporation and as a Director and Managing Executive Officer at JVC Kenwood Corporation (General Manager of Corporate Strategy). He has served as an Outside Audit & Supervisory Board member and now Outside Director of GCA Corporation, and also serves as an Outside Director of Renesas Electronics Corporation. At SBS Holdings, he was appointed Outside Audit & Supervisory Board member from March 2011, and has served as an Outside Director since March 2015.



**Yoshinobu Kosugi**  
Outside Directors

After holding important posts at Nippon Television Network Corporation (now Nippon Television Holdings, Inc.), he assumed the post of representative director. Since June 2022 he has served as an advisor to Nippon Television Network Corporation. He accepted the position of an Outside Director of SBS Holdings in March 2023. He also serves as Outside Auditor at The Yomiuri Shimbun Holdings and as Outside Director at Resorttrust, Inc.

Audit & Supervisory Committee



**Chizu Sekine**  
Outside Directors

After working for Sumitomo Chemical Industry Co.,Ltd. and the Advanced Materials Development Laboratory, she became the Representative Director and President of Sumika Technical Information Service, Inc. in June 2020. She later served as an outside director of KOKUSAI ELECTRIC CORPORATION and outside director of rVirogen, Inc. before she accepted her position as an outside director of the Company in March 2025.



**Yuya Kawai**  
Director  
Full-time Audit & Supervisory Committee Member

After serving key positions at San-ai Transport Co., Ltd. (now SBS Ricoh Logistics System Co., Ltd.), he became an auditor of SBS Group companies (SBS Toshiba Logistics Corporation, SBS Ricoh Logistics System Co., Ltd., SBS Logicom Co., Ltd., SBS Flec Co., Ltd., and SBS Zentsu Co., Ltd.) in March 2025.



**Sachie Tsuji**  
Outside Directors  
Audit & Supervisory Committee Member

As a certified public accountant, Ms. Tsuji has served as a representative director of Bizsuppli Corporation, director of Tsuji Sachie Public Accounting Office, and Director of the Association of Certified Fraud Examiners. From March 2021, she has served as an Outside Director (Audit & Supervisory Committee member) of the Company. She also serves as an outside Audit & Supervisory Board member at Otsuka Holdings Co., Ltd.



**Eiichiro Washio**  
Outside Directors  
Audit & Supervisory Committee Member

He established Washio Eiichiro Certified Public Accountant Office, Washio Eiichiro Certified Public Tax Accountant Office, and Washio Eiichiro Certified Administrative Procedures Legal Specialist Office as a certified public accountant, certified tax accountant, and certified administrative procedures legal specialist, respectively. He served as Parliamentary Vice-Minister of Agriculture, Forestry and Fisheries, Chairman of the Committee on Environment of the House of Representatives, and State Minister for Foreign Affairs before he became an outside director of the Company in March 2025.

Male / Female Ratio of Directors

Male: 10

Female: 2

(Male: 83%, Female: 17%)

Other Executive Officers

Yasushi Kanazawa

Executive Officer (Representative Director, Executive Officer and COO of SBS Toshiba Logistics Corporation)

Yasuhiko Ueda

Executive Officer (Representative Director of SBS Asset Management Co., Ltd. and Representative Director of L-MAX Co., Ltd.)

Kimihiro Sato

Executive Officer (Chairperson & CEO of SBS Toshiba Logistics Corporation)

Satoshi Akuzawa

Executive Officer (in charge of IT Planning Department, IT Solution Division, Information Communication System Division 1, 2 and 3, Group IT Infrastructure Control Department, and in charge of LT Planning Department)

Mitsugu Kakushi

Executive Officer (Representative Director, Executive Officer and COO of SBS Flec Co., Ltd.)

Expertise and experience the candidates for Directors have											
Name	Position	Outside	Nomination and Compensation Committee	Corporate management	Sales and marketing	Accounting and finance	Legal affairs and risk management	Personnel affairs and human resource development	LT and IT	ESG and sustainability	Overseas
Masahiko Kamata	President and Representative Director		●	●	●	●	●			●	
Shuichi Hoshi	Director			●	●		●			●	●
Masato Taiji	Director			●			●	●		●	
Yasuhito Tanaka	Director			●	●	●			●	●	●
Natsuki Gomi	Director			●		●	●		●	●	
Katsuhisa Wakamatsu	Director			●	●				●	●	
Jiro Iwasaki	Director	●	●	●			●	●			●
Yoshinobu Kosugi	Director	●	●	●	●						
Chizu Sekine	Director	●		●		●				●	●
Yuya Kawai	Full-time Audit & Supervisory Committee Member			●	●	●	●	●		●	●
Sachie Tsuji	Audit & Supervisory Committee Member	●		●		●	●			●	●
Eiichiro Washio	Audit & Supervisory Committee Member	●		●		●	●			●	●

\* The Representative Director and members of the Nomination and Compensation Committee are determined by the Board of Directors following the conclusion of the General Meeting of Shareholders.

\* The above table indicates the areas of expertise of each Director in light of their experience, etc. and is not an exhaustive list of all the expertise each Director can offer.

■ Appointment of Directors

Giving due regard to a report from the Nomination and Compensation Committee in response to a consultation from the Board of Directors, the President nominates individuals who possess a vast array of knowledge and expertise concerning SBS Group management, financial strategy, risk management and legal compliance, are of outstanding character, and who possess the knowledge, experience and skills to fulfill their responsibilities, as directors of SBS Holdings. The draft nominations are then submitted to the Board of Directors for approval by the General Meeting of Shareholders. In addition, in the appointment of the representative directors of Group companies and other top management, the President nominates individuals of outstanding character who possess the knowledge, experience and skills to fulfill their responsibilities. After receiving approval from the SBS Holdings Board of Directors, the nominations are approved by the General Meeting of Shareholders of the Group company concerned. Also note that SBS Holdings lists the individual reasons for nomination for all candidate directors in the Convocation Notice for the General Meeting of Shareholders.

■ Restrictions on Concurrent Positions Held by Company Directors

An internal director of SBS Holdings shall only serve concurrently as an officer at another publicly listed company when there are clear reasons for doing so, such as helping to strengthen the business relationship with that company, and the officer concerned shall focus on their duties at SBS Holdings as much as possible. The status of these concurrent positions is disclosed in business reports on an annual basis.

■ Outside Directors

To bolster management supervisory functions, SBS Holdings has appointed five outside officers. These efforts are also expected to achieve highly independent and transparent monitoring functions and play a part in the formation of new ideas

and principles that are not beholden to customary practices. Standards on the independence of outside directors are set forth in Appendix 1 of the Corporate Governance Guidelines to prevent conflicts of interest with regular shareholders. To encourage lively discussions at Board of Directors meetings, meeting materials are sent to members in advance, and at the request of outside directors, the departments raising agenda items may provide prior briefings to outside directors on the matters to be discussed, as part of efforts to minimize information disparities with internal directors. In addition, one member of staff is appointed to assist the duties of Audit & Supervisory Committee members, and the Auditing Department, the internal auditing organization of the Company, also provides assistance as needed.

■ Balance of Knowledge, Experience and Abilities on the Board of Directors Overall, and Approach to the Board’s Diversity and Size

When appointing candidates for director, in addition to the perspective of strengthening management oversight functions, a balance between the number of people in supervisory and executive roles is also considered. In addition, to effectively fulfill the role and purpose of the Board of Directors, the board is made up of personnel who possess experience and knowledge of priority issues that are related to business management. When appointing candidates for outside director, the Representative Director and President selects individuals who have a wealth of experience and specialized knowledge related to corporate management as candidates, also considering the career history of each and giving due regard to a report from the Nomination and Compensation Committee in response to a consultation from the Board of Directors, and the decision is made by the Board of Directors. Candidates for internal director are selected from among those with diverse insight and expertise regarding SBS Group management, financial strategy, risk management and compliance. Since fiscal 2023, we have disclosed a so-called skill matrix that lists the expertise and experience of each director including

Audit & Supervisory Committee members (see page 76).

■ Improving the Skills of Directors

To ensure that directors fulfill their expected roles, the Company describes their obligations and responsibilities as directors when they assume their posts. In conjunction with this, outside directors receive briefings on the management policy of the SBS Group and other matters related to its business activities. As ongoing training for directors, SBS Holdings invites outside instructions to conduct training sessions around twice a year, and also provides the necessary support for directors to improve themselves.

■ Officer Remuneration

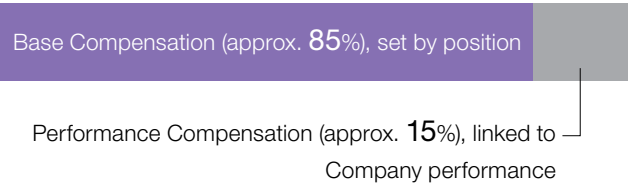
To coincide with the shift to a company with an Audit & Supervisory Committee, the Company explained a policy at the 35th General Meeting of Shareholders held on March 25, 2021, concerning decisions related to the amount and calculation methods of remuneration for directors (excluding directors who are Audit & Supervisory Committee members). With the aim of incentivizing sustained growth and enhanced corporate value, in accordance with the Internal Regulations on Director Remuneration the remuneration of the Company’s executive directors comprises base remuneration determined on a positional basis, and performance remuneration linked to the Company’s business results. The ratio of performance remuneration to total remuneration to be applied where performance indicators are 100% achieved is set at around 15%. As the subsidiaries concerned conduct the performance evaluations of directors who concurrently serve as the representative directors of subsidiaries, the remuneration of those directors at SBS Holdings comprises only the base remuneration, pursuant to the Internal Regulations on Director Remuneration. The remuneration of outside directors (excluding directors who are Audit & Supervisory Committee members) comprises only base remuneration, pursuant to the Internal Regulations on Director Remuneration. To better link with Company business performance with

remuneration and to enhance objectivity and transparency, performance remuneration uses consolidated operating income as a measure for evaluation. Amounts for performance compensation are calculated by taking the sum of quantitative points based on the achievement of consolidated operating income targets and qualitative points that assess each officer’s required roles, functions, responsibilities and achievements, and multiplying it by a base amount determined for each officer. The target consolidated operating income (excluding gain on the sale of real estate) related to performance compensation in the fiscal year under review was 16,000 million yen (excluding gain on the sale of real estate), and the Company posted 12,931 million yen. To enhance the fairness, transparency and objectivity of procedures for director nomination and compensation, SBS Holdings established the Nomination and Compensation Committee by resolution of the Board of Directors meeting held on December 14, 2022. As a result, from fiscal 2023 the compensation of each director (except for directors who are Audit & Supervisory Committee members) is determined by the President with the discretion of the Board of Directors, having given due regard to the details of a report from the Nomination and Compensation Committee in response to consultation from the Board of Directors. In addition, the compensation of directors who are Audit & Supervisory Committee members is determined by discussion between all such directors, giving due regard to the details of a report from the Nomination and Compensation Committee in response to consultation from the Board of Directors. If all directors who are Audit & Supervisory Committee members reach an agreement, the compensation will be determined by a meeting of the Audit & Supervisory Committee. Upper limits on the total remuneration of the directors of SBS Holdings were approved by the 35th General Meeting of Shareholders. Remuneration for directors who are not Audit & Supervisory Committee members is limited to 200 million yen annually (of which up to 40 million yen is allocated to outside directors), and remuneration for directors who are Audit & Supervisory Committee member is limited to 50 million yen annually.

○ Appointment of Outside Directors

Name	Audit & Supervisory Committee Member	Independent Officer	Reason for Appointment	Concurrent Posts
Jiro Iwasaki		●	Jiro Iwasaki brings a wealth of experience and broad insight concerning management from many years as a company officer, and was appointed on the expectation that his experience and knowledge as an outside officer can be reflected in the management of SBS Holdings.	Outside director of Renesas Electronics Corporation
Yoshinobu Kosugi		●	Yoshinobu Kosugi has been involved with management as a corporate officer for many years and was appointed on the expectation that the use of his experience and management skills as a director will contribute to decision making in the Board of Directors.	Outside auditor of The Yomiuri Shimbun Holdings Advisor at Nippon Television Holdings Inc. Outside director of Resorttrust, Inc.
Chizu Sekine		●	Chizu Sekine participated in corporate management at multiple companies as an outside officer, in addition to having been involved in the management of a company engaged mainly in contract research on safety of technologies and chemicals, patent retrieval, and provision of chemical technology information. She was appointed on the expectation that these knowledge and experience will contribute to decision making in the Board of Directors.	Outside director of KOKUSAI ELECTRIC CORPORATION Outside director of rVirogen, Inc.
Sachie Tsuji	●	●	Sachie Tsuji possesses many years of experience working on internal control, internal auditing and compliance in addition to her specialized knowledge and experience as a certified public accountant and was appointed on the expectation that her specialized knowledge in these areas can be reflected in the auditing of SBS Holdings.	Representative director of Bizsuppli Corporation Director of Tsuji Sachie Public Accounting Office Director of the Association of Certified Fraud Examiners Outside auditor of Otsuka Holdings Co., Ltd.
Eiichiro Washio	●	●	Eiichiro Washio possesses work experience in accounting and tax affairs, etc. and legal knowledge, having been involved in accounting services at a major auditing firm and private offices, among other experiences. He also won six terms as a House of Representatives member and served in numerous key positions, including as Parliamentary Vice-Minister of Agriculture, Forestry and Fisheries, Chairman of the Committee on Environment of the House of Representatives, and State Minister for Foreign Affairs. He was appointed on the expectation that he can leverage the broad knowledge and experience in the auditing of SBS Holdings as a director who is an Audit & Supervisory Committee member.	-

○ Composition of Director Remuneration



○ Number of Independent Officers Among Outside Directors

5 (out of 5)

○ Consolidated Operating Income Associated with Performance-Linked Remuneration in the Fiscal Year under Review

Goal **16,000** million yen

Results **12,931** million yen

\* Excluding gains from the sale of real estate

○ Remuneration for Each Officer Category (Fiscal 2024 Results)

Officer Category	Total Amount of Remuneration, etc. (million yen)	Total Amount of Remuneration, etc. by Type (million yen)		Number of Eligible Officers
		Base Compensation	Performance Compensation	
Directors who are not Audit & Supervisory Committee members (of which, those who are outside directors)	126 (14)	116 (14)	10 (-)	8 (2)
Directors who are Audit & Supervisory Committee members (of which, those who are outside directors)	30 (13)	30 (13)	- (-)	3 (2)

\* Directors (excluding outside directors) include three directors fulfilling concurrent roles as the representative directors of subsidiaries, and as the performance evaluations of those three directors are carried out by the subsidiaries in question, they are only paid base compensation as remuneration from SBS Holdings.



Effectiveness of the Board of Directors

SBS Holdings has conducted anonymous questionnaires to self-evaluate the effectiveness of the Board of Directors annually since 2017.

The questionnaires, which are filled out anonymously by all directors (11 in total) including Audit & Supervisory Committee members, have a format where directors answer 22 questions in the following four sections on a five-point scale, and are also able to provide supplementary explanations and feedback in comment fields for each question and in a free text field at the end of the questionnaire.

With the aim of enabling comparative verification through fixed point observation, including gauging the impact that changes to directors and Audit & Supervisory Committee members have on the evaluation, the same questions were used from 2017 when the questionnaires were first introduced until 2021. In 2022, in light of SBS Holdings' transition to a company with an Audit & Supervisory Committee and the market segment change in the Tokyo Stock Exchange, the questionnaire was revised, including the addition of questions and adjustments to expressions. However, since the revisions were minor in nature, as with previous years comparative verification through evaluation points continued to be used as the method of evaluation. The questions and the method of evaluation remained unchanged in the latest questionnaire.

The average evaluation score across all questions was 4.04 (marking a slight decrease of 0.02 points from the previous year's result of 4.06). These evaluation results suggest that the Board of Directors is largely functioning with adequate effectiveness. The Board of Directors exchanged opinions regarding the questionnaire results and feedback submitted, shared issues for the future and discussed the roles of various initiatives. In order to further enhance the effectiveness of the Board of Directors in light of the latest evaluation results, the SBS Holdings Board of Directors will carry out the initiatives deemed necessary following extensive discussions and strive to make continual improvements.

**Format of the Survey (each question graded on a five-point scale)**

(1) Composition of the Board of Directors (three questions)  
(2) Operation of the Board of Directors (five questions)  
(3) Matters taken up by the Board of Directors (ten questions)  
(4) Systems supporting the Board of Directors (four questions)  
22 questions in total

\* The survey included a space for respondents to supplement their assessments and describe other opinions.

**Average Score Obtained in the Evaluation of the Effectiveness of the Board of Directors**

**4.04** points (5-point scale)

**Operation of the Audit & Supervisory Committee**

The Audit & Supervisory Committee of SBS Holdings is made up of one full-time member and two part-time members. In addition to convening regular meetings of the Audit & Supervisory Committee at least once a month, ad hoc meetings are also convened as needed. Through consultation and exchanges of opinions between members, the committee ascertains directors' status of compliance with laws, regulations and internal

rules, and endeavors to develop an environment in which operational and accounting audits are conducted effectively. The Audit & Supervisory Committee members of SBS Holdings appropriately audit management through auditing procedures such as attending important internal meetings, viewing key documents and posing questions to officers and employees. They are also given the right to freely view the minutes of various meetings and other documents.

To facilitate the smooth operation of the Audit & Supervisory Committee, the company has assigned one individual as a full-time staff member of the Board to assist with its duties, and the Company's Auditing Department also assists with tasks as needed. Matters concerning authority of personnel matters such as the appointment or transfer of Audit & Supervisory Committee staff are decided after obtaining consent from the Audit & Supervisory Committee in advance.

Audit & Supervisory Committee members, the SBS Holdings Auditing Department and the accounting auditor appointed by SBS Holdings coordinate with the internal control departments of SBS Holdings and SBS Group companies to formulate and execute auditing plans and to report the results to the Board of Directors.

Audit & Supervisory Committee Activities (FY2024)

Name	Number of Sessions Held	Attendances	Attendance rate
Takashi Endo	14	14	100%
Masato Matsumoto	14	14	100%
Sachie Tsuji	14	14	100%

**Status of Accounting Audits**

The Company's accounting audits are handled by Ernst & Young ShinNihon LLC. This auditing firm has been selected based on a comprehensive evaluation, including that it possesses a certain size and global network enabling effective auditing consistent with the Company's business activities, that it has developed review systems, as well as its auditing track record. Note that the Company has been continually audited by the same auditing organization for 24 years. Two certified public accountants carried out the auditing work for fiscal 2024, designated limited liability partners and managing partners Masahiko Nagasaki and Atsushi Suganuma. They were assisted by 8 certified public accountants and 19 other personnel. Compensation for the auditing work is determined based on the details of the auditing plans presented by the auditing firm, by way of producing an estimate of the valid number of days spent engaging in the auditing work.

**Internal Control**

SBS Holdings has established and operates internal control over financial reporting in compliance with the basic framework set forth in On the Setting of the Standards and Practice Standards for Management Assessment and Audit Concerning Internal Control Over Financial Reporting (Council Opinions), and issues annual reports. The most recent assessment of internal control over financial reporting was conducted with a reference date of December 31, 2024. The scope of assessment is determined based on the importance of the impact on the reliability of financial reporting, and covers SBS Holdings, 19 consolidated subsidiaries, and one equity method affiliate.

The Internal Control Report, including past editions, is available on the SBS Holdings website.  
TOP → Sustainability → Corporate governance  
<https://www.sbs-group.co.jp/sbshlds/csr/governance/>

Maintaining Constructive Ties with Shareholders and Stakeholders

Ensuring Shareholder Rights

The Corporate Governance Guidelines of SBS Holdings state that in light of the importance of shareholder rights, the Company shall endeavor to enhance management transparency through the proactive disclosure of information and develop an appropriate environment in which the rights of all shareholders are ensured. As a part of these efforts, the Company reports to the Board of Directors on the status of approval or rejection of the Company's proposals submitted to the General Meeting of Shareholders, and if more than 20% of votes are cast in opposition to a Company proposal, the Company considers action, including dialogue with shareholders, as necessary.

Reinvigorating the General Meeting of Shareholders and Facilitating the Exercising of Voting Rights

The Company places an emphasis on constructive dialogue with shareholders and endeavors to develop an appropriate environment regarding the exercising of rights by shareholders at the General Meeting of Shareholders. In addition, the Company recognizes that the exercising of shareholder voting rights as the General Meeting of Shareholders is one of the important rights of shareholders and makes every effort to provide appropriate information that will aid in decisions concerning the exercising of voting rights in a timely and appropriate fashion. To ensure that as many shareholders as possible can attend general meetings of shareholders and exercise their voting rights, the Company sets the dates on which such meetings are convened so as not to overlap with days on which many such meetings are held by other companies.

To give shareholders an ample period of time to consider the proposals put forth at a general meeting of shareholders, the Company endeavors to send out the Convocation Notice for the General Meeting of Shareholders earlier than required by law. The Convocation Notice for the General Meeting of Shareholders is posted to the website of SBS Holdings, the Tokyo Stock Exchange, and Electronic Voting Platform without delay following a resolution by the Board of Directors to convene a General Meeting of Shareholders. Shareholders can choose the manner in which they exercise their voting rights, either in writing, or via the Internet by accessing a Company-designated website for exercising voting rights from a PC, smartphone or mobile phone.

Handling of Cross-Shareholdings

The Company holds stocks in another company only when it determines doing so to be important in building a cooperative relationship with a partner company for the sustainable growth

of SBS Holdings and the SBS Group into the future, and when there is significance in maintaining cross-shareholdings from the perspective of enhancing the corporate value of the Company and the Group.

For major cross-shareholdings, the Company annually verifies the benefits gained by maintaining or strengthening business relationships for each individual stock, and when it determines that "continuing to hold stock in a certain company will have minimal contribution to the enhanced corporate value of SBS Holdings and the SBS Group in the medium and long term," the stock in such a company is sold following approval by the Board of Directors, while taking into account the business performance of the Company and the Group, the impact on the stock market, and other factors. Regarding the exercising of voting rights, as a general rule the Company makes individual determinations regarding the management policies, business strategies and other information about the companies in which it holds stock, judges whether the details of proposals to be voted on by shareholders contribute to the improved corporate value of that company, SBS Holdings and the SBS Group, and decides whether to approve or reject proposals on that basis.

Takeover Defense Measures

The basic policy of the Company is to not employ so-called "takeover defense measures." When shares in the Company are subjected to a tender offer, the Board of Directors will clearly explain its position to shareholders and ensure that the appropriate procedures are followed.

Overview of the 39th Ordinary General Meeting of Shareholders

Date and Time
Tuesday, March 25, 2025 at 10 a.m.
Location
The Company's meeting room, 37F, Sumitomo Fudosan Shinjuku Grand Tower, 8-17-1 Nishishinjuku, Shinjuku-ku, Tokyo
Matters Reported
1. The Business Report and Consolidated Financial Statements for the Company's 39th Fiscal Year (January 1, 2024 - December 31, 2024) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
2. Reports on the Financial Statements for the 39th Fiscal Year (from January 1, 2024 to December 31, 2024)
Proposals for Resolution and the Results
Proposal 1: Election of Nine (9) Directors Not Serving as Audit & Supervisory Committee Members
Proposal 2: Election of Three (3) Directors Serving as Audit & Supervisory Committee Member
Proposal 3: Election of One (1) Substitute Director Serving as Audit & Supervisory Committee Member

The Convocation Notice for the General Meeting of Shareholders and the Extraordinary Report (including "The Number of Voting Rights for Approval, Disapproval and Abstention in the Matters Resolved, the Requirements for Adoption of the Matters Resolved, and the Results of the Resolutions") can be viewed on the SBS Holdings website.  
TOP → Shareholder/Investor Information → General meeting of shareholders  
<https://www.sbs-group.co.jp/sbshlds/ir/meeting/>

Capital and Dividend Policies

The Company strives to improve corporate value and shareholder value through the sustainable growth of SBS Holdings and the SBS Group. To maintain financial health that can withstand strategic investments made for growth, we have set a shareholders' equity ratio of 30% or higher as our long-term target and do our utmost to achieve this. The Company considers shareholder return to be one of its most important management issues. The Company's basic policy is to continuously maintain dividend levels and endeavor to raise dividend levels based on business performance while retaining sufficient internal reserves to build a solid management base.

Shareholders' Equity Ratio Dividend per share (FY2024)

27.8% 70 yen

Information Disclosure

In addition to making appropriate disclosures in accordance with law, the Company makes disclosures when it has formulated plans concerning the management foundations, business strategies and other action needed to ensure future growth in order to achieve improved corporate value in the medium and long term. We have been making information disclosures in English to the extent reasonable to gain corporate recognition from shareholders, investors and other stakeholders in Japan and overseas, and to contribute to enhancing corporate value to a global level through dialogue with stakeholders including shareholders and investors. As the points of contact in promoting dialogue with shareholders and investors, the Company has appointed an officer in charge of IR and designated the IR and Corporation Communications Department. Primarily the General Manager of the IR and Corporate Communications Department handles individual dialogue with shareholders and investors, with the President and officer in charge of IR also taking part as appropriate.

Collaboration with Stakeholders Other Than Shareholders

Seeking enhanced corporate value in the medium and long term on keeping with the SBS Group Code of Behavior, SBS Holdings and the SBS Group make every effort to respect stakeholders, clarify the purpose of the Company and the Group to them, and maintain positive relationships. In addition, the Board of Directors of SBS Holdings takes responsibility for periodically evaluating whether the SBS Group Code of Behavior is being broadly put into practice. The Company has established the SBS Group Sustainability Promotion Committee as a joint effort of SBS Holdings and the SBS Group to promote action on the issues surrounding sustainability. Meeting bodies operated under the committee decide on and implement action policies to deal with various issues. (See "For a Sustainable World" on page 49)

Responding to the Corporate Governance Code

The Company places an importance on the Corporate Governance Code (formulated and published by Tokyo Stock Exchange, Inc. in cooperation with the Financial Services Agency) as a document that summarizes the key principles contributing to the sustainable growth and medium-to-long term improvement in corporate value of publicly listed companies. The Company has also embraced the "comply or explain" stance required by the code. In its corporate governance report, SBS Holdings reports on its disclosure status according to the principles of the Corporate Governance Code, and for those supplemental principles which have not been immediately addressed in their entirety, the Company explains the reasons and describes its outlook for the future.

- Measures for substantial shareholders' attendance at meetings of shareholders (Supplementary Principle 1-2-5)
- Oversight of plans for successors for CEO, etc. (Supplementary Principle 4-1-3)
- Procedures for appointment or removal of representative director (Supplementary Principles 4-3-2, 4-3-3)
- Coordination between independent outside directors and top management, such as the appointment of a lead independent outside director (Supplementary Principle 4-8-2)

Note that while action on ensuring diversity in the promotion of core human resources (Supplementary Principle 2-4-1) and initiatives on sustainability (Supplementary Principle 3-1-3) are still underway, we have ascertained the issues and are pursuing initiatives.

The Corporate Governance Report submitted to Tokyo Stock Exchange, Inc. is posted on the SBS Holdings website.  
TOP → Sustainability → Corporate governance  
<https://www.sbs-group.co.jp/sbshlds/csr/governance/>

Management

The SBS Group has established the SBS Group Code of Behavior and SBS Group Compliance Regulations and is committed to developing its compliance systems and promoting compliance. Playing a central role in this effort is the SBS Group Compliance Meeting, which comprises members appointed from SBS Group companies. In addition to playing a pivotal role in awareness-raising activities, the Compliance Meeting also monitors, confirms and investigates compliance violations and drives improvements. Awareness-raising tools (compliance cards and compliance manuals) are also distributed among all Group employees in an effort to promote fair and ethical conduct and activities through shared awareness and knowledge.

Initiatives to Increase Awareness

The SBS Group tries to increase awareness of compliance by providing regular training and disseminating information to employees. In tiered training, we provide instruction focused on compliance in a broad sense, while in training for specialized themes, we provide guidance to managers under the theme of harassment. We also regularly distribute educational materials to the persons in charge and conduct follow-ups to ensure they can provide on-site guidance. We publish a Compliance Bulletin for all employees to communicate information such as basic approaches and specific cases that can serve as a reference. We also make use of an original compliance educational video.

Compliance Awareness Survey

The SBS Group periodically conducts compliance awareness surveys to ascertain the extent of compliance awareness among employees and to monitor changes in the environment surrounding employees. The survey results are utilized extensively to determine the effectiveness of the measures that were carried out, identify issues, and consider next steps.

Number of Times the Compliance Meeting Was Convened

2

Number of Compliance-Related Training Sessions

Tiered training, etc.

18 times (approx. 600 trainees)  
2024 Compliance Campaign

Online training:

5,930 trainees

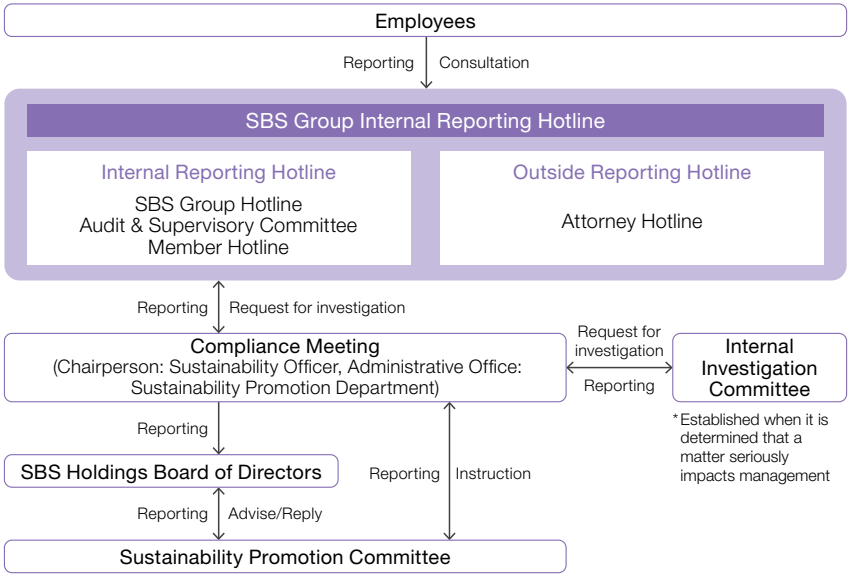
Number of Consultations Fielded by Compliance Consultation Hotlines

260

Internal Reporting System and Protection of Those Who Make Reports

Based on the SBS Group Internal Reporting Regulations, the SBS Group has established and operates hotlines through which all employees working in the SBS Group can seek consultation or make reports when they become aware of an issue with the workplace environment or business operations, or of conduct that violates laws, internal regulations or corporate ethics. There are three hotlines, the SBS Group Hotline fielded by the administrative office of the Compliance Meeting, the Audit & Supervisory Committee Member Hotline fielded by full-time Audit & Supervisory Committee members, and the Attorney hotline fielded by consulting attorneys. The SBS Group Hotline makes it possible for the person seeking consultation to choose a method of consultation, either telephone, e-mail, chat application, or other method. The details on the consultations conducted and reports received by each hotline are submitted to the Board of Directors by the administrative office of the Compliance Meeting. After conducting an objective investigation and verifying the facts of a case, the response is discussed with the relevant departments of SBS Holdings and the SBS Group. A system to take appropriate action when a matter of concern with serious implications has been ascertained or reported has been put into place. This includes the establishment of an Internal Investigation Committee chaired by the chairperson of the SBS Group Compliance Meeting, which investigates the facts, makes recommendations, and proposes to the Audit & Supervisory Committee that an extraordinary meeting of the Board of Directors be convened. As part of protections for those who make reports, the regulations stipulate a ban on searching for or retaliating against those who make reports, and systems are in place to prevent the disadvantageous treatment of those making reports, such as by thoroughly ensuring confidentiality through the designation of a person responsible in accordance with the Whistleblower Protection Act.

Reporting and Consultation Flow





■ Crisis Management Framework

[Information sharing]

With the SBS Group Risk Management Meeting playing a central role, information is shared on crisis management matters under the jurisdiction of each specialized meeting body, namely the Transportation Safety Promotion Meeting, Compliance Meeting and Information Security Promotion Meeting. Risks are detected at an early stage in this way and effective countermeasures are taken in advance of the materialization of risks, thus preventing crises.

[Crisis Management PR]

Should a crisis occur, the problem is settled as quickly as possible to prevent the spread of damage. A Crisis Management PR Manual has been created and established to prepare for emergencies and protect the organization by minimizing the impact of emergencies on the SBS Group's reputation (trust, honor, and publicity) and shortening the time it will take to restore trust.

Main Crisis Matters

- **IT Risk**  
Major security incidents, system failures and information leakage caused by cyberattacks, etc.
- **Transportation Safety Risk**  
Serious vehicle accidents, industrial accidents, facility fires, etc.
- **Compliance Risk**  
Corporate scandals such as various legal violations, inappropriate labor management activities, and fraudulent accounting
- **Natural catastrophes**  
Strong earthquakes, typhoons, etc.
- **Others**  
Financial risks, social media backlash, employees' verbal gaffes/blunders

■ BCP and BCM

The SBS Group recognizes that in the interest of safeguarding people's lives, it has a social responsibility to continue to perform business activities with a focus on logistics as a part of social infrastructure in the event of a major disaster, and has formulated a business continuity plan (BCP) accordingly. The BCP clearly stipulates matters such as conditions for countermeasures, advance preparation, initial response and restoration efforts. We also focus on business continuity management (BCM), to ensure that the BCP we have formulated functions properly. The SBS Group's basic policy on business continuity plan is posted on its Disaster Information Portal Site (which is open to the public).

■ Emergency Response Drills

The SBS Group periodically conducts emergency response drills to prepare for major disasters and other emergencies. The drills focus on setting up an emergency headquarters and alternate sites during an emergency, coordinating information such as the state of damage and safety at each Group company and site, and sharing all related information. The specific scenario is changed for each drill.

■ Development of an Intra-Group Emergency Contact Network

An emergency contact structure and emergency contact network is maintained and managed on an ongoing basis to confirm the safety of employees and share site damage reports as quickly as possible in the event of an emergency, facilitating business continuity.

■ Developing Site Information and Sharing Hazard Risks

As part of BCM initiatives, site information including hazard risks\* is centrally managed and shared throughout the Group. Sharing information allows the SBS Group to standardize the measures taken to address issues and facilitates coordination with nearby business sites. \* Government-issued hazard maps are used.

■ Ensuring Driver Safety

To ensure driver safety, all Group-operated vehicles are provided with emergency supplies (water, emergency toilets, thermal sheets for protection against cold). Additionally, mutual acceptance arrangements have been made so that certain locations can be used as driver evacuation locations during an emergency.

■ Confirmation of Safety

To prepare for emergencies such as earthquakes, all Group companies are unifying their safety confirmation operations. The goal of this is to unify the Group's tools and thereby ensure the accuracy of information and streamline the sharing of information in response to the current situation where safety is confirmed using mechanisms and operations that are specific to the individual companies.

■ Information Security Policy

We have established the SBS Group Basic Policy on Information Security and declared a Group-wide commitment to tackling information security.

SBS Group Basic Policy on Information Security

1. We will observe laws, government-issued guidelines and other norms related to information security.
2. We will clarify responsibilities related to information security and establish systems to implement information security measures.
3. We will identify information security risks and take appropriate personal, organizational, technical and physical measures.
4. We will conduct training and raise awareness concerning information security and ensure that all employees are able to carry out their work with an awareness of information security.
5. We will carry out inspections of our information security-related management systems and initiatives, and conduct ongoing reviews and make continual improvements.

[Information Security Management]

In accordance with the SBS Group Information Security Policy, we regularly monitor the status of security measures of the Group as a whole, provide security training, and increase people's awareness of security on a regular basis through CSIRT\* activities and other initiatives, in our efforts to maintain and improve the security level.

\* CSIRT stands for Computer Security Incident Response Team. It is a collective term for the organizations that handle incidents related to computer security. The Nippon CSIRT Association promotes CSIRT. The SBS Group's SBS Ricoh Logistics System Co., Ltd. is a member of the Nippon CSIRT Association.

[Protection from Threats]

To handle cyber threats which are increasingly sophisticated every year, we have built a network based on zero trust network access (ZTNA). Further, we have introduced endpoint security (endpoint detection and response/EDR) combined with a security operation center (SOC) service. We have thus made it possible to detect and block not only the latest malware but also suspicious communications and other potential threats.

[Responding to Vulnerabilities]

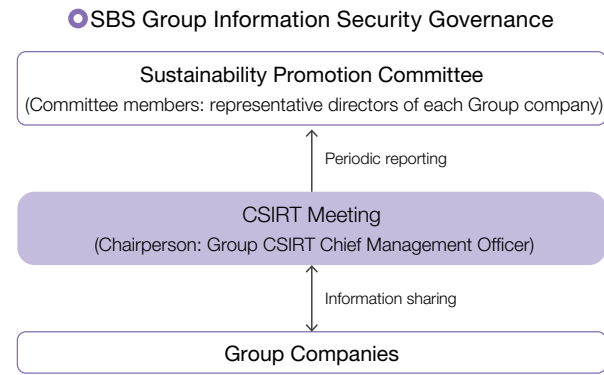
We regularly update the internal devices, servers and software that we use using IT asset management and other systems. We also regularly inspect public server vulnerabilities to eliminate vulnerabilities to the extent possible and maintain safety.

[Third-Party Verification]

We periodically submit to management reviews performed by a dedicated information security company, leading to the implementation of effective improvement measures.

■ Information Security Governance

The SBS Group has established an information security governance framework through which it strives to maintain a standard Group-wide infrastructure and share information. In addition, to ensure that we can effectively respond to security incidents, we have put in place a CSIRT structure (Group CSIRT, CSIRT at each company), positioning ourselves to swiftly restore systems in the event of an incident and ensure thorough prevention after the fact. CSIRT not only responds when an incident occurs, but also plans and implements prevention, education and awareness-raising efforts during normal times to control security management across the Group.



■ Education and Awareness-Raising

[Seminar]

We have prepared purpose-built curricula for employees at various levels and for information security personnel of Group companies and give seminars based on the curricula.

[e-Learning]

We conduct regular awareness-raising activities, including requiring employees across the Group to undergo e-learning training once a year.

○ Employees Undergoing Training in Fiscal 2024

Number of Employees Who Participated in Online Seminars **482**

Number of Employees Who Participated in e-Learning Programs **7,574**

First Aid

The SBS Group has continually worked patiently to install and replace the AEDs at each of the Group company's business sites and share information about how to use them. On a day in November 2023, a male employee who was doing office work suddenly collapsed and went into cardiopulmonary arrest at the Atsugi Warehouse (Ebina-shi, Kanagawa Prefecture) of the Shonan Branch of SBS Freight Service, which is engaged in interregional logistics. A peer who was there provided first aid until ambulance crew arrived, providing heart massage, electric shocks using AED, and artificial respiration. The employee who collapsed recovered and returned to work. In recognition of this response, a letter of gratitude was presented by the Ebina-shi fire department (April 2024).

Period		30th fiscal period	31st fiscal period	32nd fiscal period	33rd fiscal period		34th fiscal period	35th fiscal period	36th fiscal period	37th fiscal period	38th fiscal period	39th fiscal period
Year of Financial Results		FY2015	FY2016	FY2017	FY2018		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Net sales	Million yen	157,996	149,054	152,870	203,516		255,548	257,192	403,485	455,481	431,911	448,145
Ordinary income	Million yen	5,772	7,832	6,475	7,607		10,172	10,883	20,489	21,404	19,747	18,463
Net income attributable to owners of parent	Million yen	-3,815	5,111	4,446	4,409		6,079	6,826	10,790	11,732	10,056	9,619
Comprehensive income	Million yen	-4,693	5,346	4,702	4,494		6,923	7,181	13,936	14,189	13,439	12,603
Net assets	Million yen	29,947	34,533	38,510	48,173		54,077	68,146	80,707	92,172	102,592	112,948
Total assets	Million yen	124,817	122,330	127,802	171,796		180,047	254,550	277,197	296,898	301,317	317,287
Net assets per share	Yen	706.32	818.55	916.50	1,001.05		1,136.22	1,277.92	1,527.58	1,772.04	2,003.63	2,221.18
Net income per share	Yen	-96.84	128.69	111.94	111.01		153.06	171.88	271.67	295.39	253.20	242.19
Shareholders' equity ratio	%	22.5	26.6	28.5	23.1		25.1	19.9	21.9	23.7	26.4	27.8
Return on equity (ROE)	%	-12.7	16.9	12.9	11.6		14.3	14.2	19.4	17.9	13.4	11.5
Stock price to earnings ratio (PER)	Times	-9.8	6.3	10.1	12.8		12.4	15.2	12.0	9.4	9.7	9.8
Cash Flows from Operating Activities	Million yen	7,728	12,201	11,671	12,398		16,872	17,262	27,472	22,407	14,113	15,807
Cash Flows from Investing Activities	Million yen	-7,081	-10,043	-8,127	-22,433		-12,579	-30,480	-22,343	-15,895	-10,184	-16,723
Cash Flows from Financing Activities	Million yen	-2,685	-1,733	-1,420	14,815		-2,084	22,726	-9,278	489	-7,647	-1,293
Balance of cash and cash equivalents	Million yen	8,984	9,383	11,534	16,303		18,495	27,537	23,795	32,668	29,660	28,436
Employees (additionally, average number of temporary employees)		5,555 (8,636)	5,189 (8,652)	5,515 (8,911)	6,979 (10,575)		7,124 (10,674)	9,742 (12,098)	10,689 (12,805)	10,859 (11,970)	10,903 (12,057)	10,712 (12,801)
Consolidated subsidiaries		23	17	16	25		24	28	33	41	40	41
Capital Investment	Million yen	11,142	10,455	9,576	11,607		11,710	11,507	14,501	17,859	10,952	14,738

Notes

1. For the 31st fiscal period, figures after retrospective application are listed due to the early application of "Current Handling of Accounting for Foreign Subsidiaries in the Preparation of Consolidated Financial Statements" (Practical Report No. 18, March 29, 2017) and "Current Handling of Accounting for Equity Method Affiliates" (Practical Report No. 24, March 29, 2017) from the 32nd fiscal period onwards.

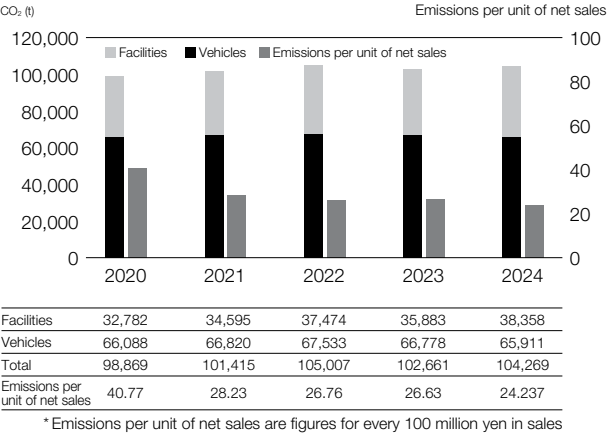
2. "Partial amendments to the Accounting Standards for Tax Effect Accounting, etc." (Accounting Standards Board of Japan Statement No. 28, February 26, 2018) has been applied since the beginning of the 34th fiscal period, and for the 33rd fiscal period figures after retrospective application are listed.

3. "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan Statement No. 29, March 31, 2020) has been applied since the beginning of the 37th fiscal period, and for the 37th fiscal period figures after retrospective application are listed.

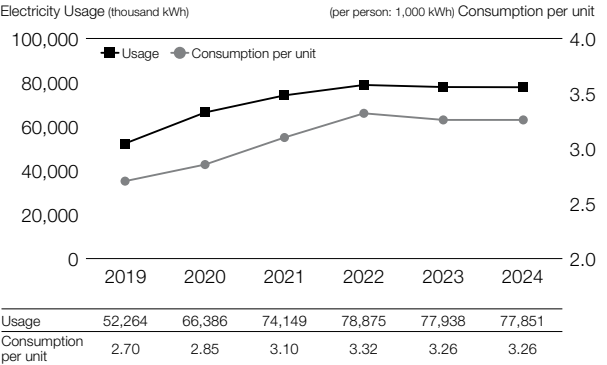
4. The number of employees indicates the number of full-time employees.



CO<sub>2</sub> Emissions



Power Consumption



\* Calculations are made in accordance with "Joint Guidelines on Methods for Calculating CO<sub>2</sub> Emissions in the Logistics Field, Version 3.1" provided by the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry.

\* As the majority of CO<sub>2</sub> emissions are produced by the operation of vehicles, emissions are influenced by the activity level and efficiency of the SBS Group's overall business activities. For this reason, net sales, an indicator reflecting the activity level of the company overall, is used as the denominator. However, environmental impacts including water, electricity and copy paper mainly occur within offices and facilities, and therefore, there is significant room for reduction through employees' environmental conservation efforts. For this reason, these figures are calculated on a per-person basis.

Status of Environmental Certifications Acquired (as of the end of fiscal 2024)

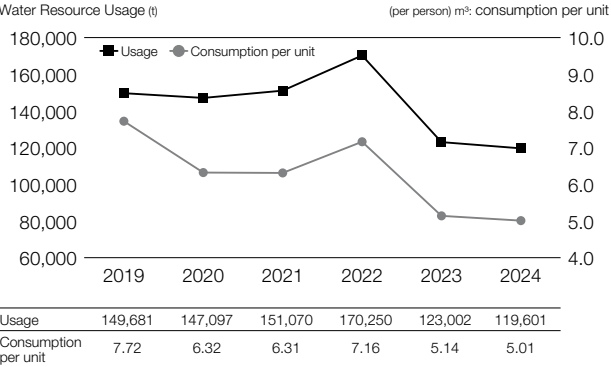
Certification	Company Name
ISO14001 (environmental management systems)	SBS Toshiba Logistics, SBS Ricoh Logistics, SBS San-ai Logistics, SBS Logicom, SBS Flec, SBS Freight Service, SBS Sokuhai Support, SBS Furukawa Logistics
Green Management Certification	SBS Logicom
GPN Certification (Green Purchasing Network)	SBS Logicom    * Certified as a delivery service for the Eco Product Net

Status of Quality-Related Certifications Acquired (as of the end of fiscal 2024)

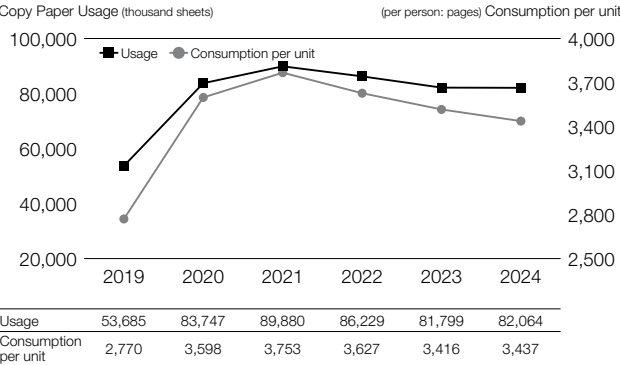
Certification	Company Name
ISO9001 (Quality Management Systems)	SBS Toshiba Logistics, SBS Flec, SBS Flecnet, SBS Freight Service, SBS San-ai Logistics, SBS Furukawa Logistics
ISO27001 (Information Security Management Systems)	SBS Ricoh Logistics, SBS San-ai Logistics, SBS Logicom, SBS Sokuhai Support
ISO/IEC24001*	SBS Toshiba Logistics
ISO/IEC17025 (Testing and Calibration Organization Management Systems)	SBS Toshiba Logistics
Privacy Mark	SBS Freight Service, SBS Staff, Marketing Partner
JAS Organic Agricultural Product Subdivider Certification	SBS Zentsu
Relocation Safety Mark	SBS Logicom

\* Jointly with the International Electrotechnical Commission (IEC)

Water Usage



Copy Paper Usage



Number of Consultations Fielded by Compliance Consultation Hotlines (FY2024)\*

Details of Consultations	Number of projects
Consultations regarding labor and business operations	122
Consultations regarding interpersonal relationships in the workplace	117
Others	21
Total	260

\* Total consultations fielded by hotlines set up inside and outside the company from which employees are able to seek direct consultation

Renewable Energy Generating Capacity (as of the end of fiscal 2024)

Facility Name	Generating Capacity (kW)	Facility Name	Generating Capacity (kW)
Noda Yoshiharu Logistics Center	479	Toyohashi Logistics Center	252
Shibayama No. 1 Power Plant	3,291	Shin-Sugita Logistics Center	1,216
Kawagoe Logistics Center	860	Tokorozawa Logistics Center	1,093
Nishinihon Logistics Center (Kyotanabe)	670	Nanko Logistics Center	1,651
Shibayama No. 2 Power Plant	761	Yokohama Kanazawa Logistics Center	957
Odawara Sales Branch	188	Daito Warehouse	128
Takasaki Sales Office	195	Logistics Center Ichinomiya	849
Kimitsu Branch	286	Noda Seto Logistics Center	2,249
Yoshikawa Branch	199	North Kanto Branch	236
Nagatsuta Logistics Center	1,048	Total	16,609

G-Mark Certification Status (as of the end of fiscal 2024)

Company Name	Number of Newly Certified Business Sites	Number of Business Sites with Existing Certification	Total Number of G-Mark-Certified Business Sites	Number of G-Mark-Eligible Business Sites	G-Mark Certification Rate
SBS Ricoh Logistics (including RLJS)	0	26	26	26	100.0
SBS Logicom (including LGCK)	0	37	37	37	100.0
SBS Freight Service	0	14	14	14	100.0
Kyokushin Unyu Kaihatsu (K•U•K LINE)	0	6	6	6	100.0
SBS Flecnet	2	22	24	25	96.0
Hinomaru Kyuso Co., Ltd.	0	8	8	8	100.0
SBS Sokuhai Support	0	7	7	9	77.8
SBS Zentsu	1	71	72	86	83.7
SBS Group Total	3	191	194	211	91.9

\*1 Certification rate of nationwide truck transportation business sites: 33.6% (figure as of December 15, 2023 \*from the website of the Japan Trucking Association)

\*2 Applicable business sites includes newly established business sites (business sites under three years old that do not meet the requirements for G-mark application).

Status of Human Resource Development Initiatives: SBS Group Training Results (as of the end of fiscal 2024)

Category	Details	Number of Courses	Number of Trainees
Next-generation development training	•Next-generation manager development program   •Next-generation young leader program   •Career design training for active participation of women	3	81
Job class-specific training	•Departmental manager training   •Manger training   •Supervisor training   •Mid-level employee training   •New employee training, etc.	34	1,264
Field-specific training	•Site manager development training   •OJT induction training   •Business career certification exam preparation workshop, etc.	10	263
Specialized theme-specific training	•Eco and safe-driving training   •Operation manager training   •Information security training, etc.	92	9,803
Self-development training	•Correspondence courses   •e-Learning   •Udemy Business   •Biz Campus	4	1,298
Total		143	12,628

Investment in the Environment

(Unit: million yen)

Investment	Details	2019	2020	2021	2022	2023	2024
Vehicle-related investments	CNG vehicles, LPG vehicles, hybrid vehicles, vehicles that meet heavy vehicle fuel efficiency standards, etc.	3,055	4,379	3,514	1,880	1,870	4,059
	Improved fuel efficiency (eco and safe-driving training, etc.)	1	19	8	0	4	1
Investments related to improved energy savings at facilities	Demand monitoring and energy-efficient lighting, etc.	131	26	14	39	141	152
Investments in global environmental conservation	Solar power generation, etc.	6	6	29	34	11	1
Environmental management	Environmental management registration and management activities, etc.	3	4	8	9	6	4
Environmental communication	Internal and external awareness-raising, creation of reporting materials, etc.	6	10	8	10	13	10
Total		3,202	4,444	3,581	1,972	2,046	4,227

\* While referencing the Environmental Accounting Guidelines (2005 edition) of the Ministry of the Environment, classifications are made in light of the SBS Group's business characteristics as a comprehensive logistics business operator.

\* "Investments in global environmental conservation" are expenditures for the installation, operation, maintenance and upkeep of renewable energy-derived power generating equipment operated by the Company at its facilities. To date, all such facilities employ solar power generation.

SBS Group Code of Behavior

1. Fair and Transparent Corporate Activities
- We will engage in fair and transparent corporate activities in accordance with laws, regulations and the common sense of society.
  - We will take a resolute stance against antisocial activities and forces.
2. Promotion of Corporate Governance
- We will actively disclose information to shareholders and society, and enhance management transparency.
  - We will respond seriously to proposals regarding management improvements and similar matters, and strive to achieve open management with respect to shareholders and society.
3. Ensuring Safety
- We regard being safe with zero accidents as our most important mission, and will make every effort to ensure safety with an awareness of our social responsibility and role.
  - We will observe rules, remain faithful to basic requirements, enhance knowledge, techniques and skills, and strive to cultivate a culture that requires safety as essential.
4. Social Contribution and Consideration of the Environment
- With an awareness of our responsibilities as a good corporate citizen, we will actively contribute to society through our corporate activities.
  - As a good citizen of the Earth, we will pay attention to environmental issues and pass on a healthy global environment to those who come after us.
5. Customer-First Principle
- We will adopt a customer-first perspective and always act in good faith by considering the customer’s viewpoint.
  - We will take on the challenge of unrelenting innovation in our thoughts and actions, and provide customers with services that meet their expectations.
6. Compliance with Laws and Regulations
- We will observe all laws, and act in good faith so as not to warrant criticism from customers in light of social norms.
  - We will responsibly fulfill our duties as members of a corporation, and properly observe the regulations, rules and manners to be followed in executing operations.
7. Development of a Fulfilling Workplace
- We will cultivate a civil, free and open corporate culture with mutual respect for creativity and independence.
  - We will place importance on mutual cooperation and workplace communication to ensure a safe and pleasant workplace environment.

SBS Group Environmental Policy

[Basic Principles]

The SBS Group regards consideration for the environment to be an important management issue. The Group promotes initiatives to reduce the environmental impact associated with its business and improve the environment through its business activities, and endeavors to preserve the environment as a good corporate citizen.

[Basic Policies]

In carrying out various business activities in Japan and overseas, the SBS Group works with Group companies and strives to realize its basic principles in accordance with the follow policy.

1. We will observe environmental laws and regulations in Japan and overseas.

2. We will give due consideration to the maintenance and preservation of the natural environment.

3. We recognize the finite nature of resources and energy and will endeavor to utilize them effectively.

4. We will put in place systems to promote environmental conservation and actively pursue education and awareness-raising activities.

5. We will disseminate these basic principles and basic policies among everyone working in the SBS Group and broadly disclose the outcomes of related initiatives.

SBS Group Human Rights Policy

[Basic Policies]

Based on the principles set forth in its Management Philosophy and the SBS Group Sustainability Policy, the SBS Group has established the SBS Group Human Rights Policy as its highest level policy regarding human rights, and will drive human rights initiatives in keeping with the policy.

[Basic Approach]

The SBS Group upholds the United Nations Guiding Principles on Business and Human Rights as a basic principle, supports and respects international norms on human rights including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Children’s Rights and Business Principles and the UN Global Compact, and advances business operations in accordance with these principles.

[Scope of Application]

The Human Rights Policy applies to all officers and employees of the SBS Group. We also expect our business partners and other related parties to understand and support the policy.

[Human Rights Due Diligence]

The SBS Group strives to practice appropriate human rights due diligence to identify, assess, prevent and mitigate negative impacts on human rights related to its business activities. If it is found that the business activities of the SBS Group have caused or contributed to a negative impact on human rights, the Group will take measures to correct and remedy the situation through appropriate means.

[Remedial, Corrective and Preventive Action]

When the SBS Group determines that various standards regarding human rights have not been appropriately adhered to, it will take appropriate remedial action with regard to the people who have been impacted in accordance with the UN Guiding Principles, identify the cause of the issue, and implement effective improvement measures. In addition, as services to deal with consultation regarding human rights and other matters, the Group will put in place systems to field consultations from customers and other stakeholders by telephone or the website, etc. and from employees through internal and external reporting hotlines, ensuring that human rights issues are dealt with in a responsible manner. In addition, the Group will take adequate precautions to safeguard anonymity and confidentiality to ensure that those who seek consultation through these services do not suffer disadvantageous treatment.

[Education and Awareness-Raising]

The SBS Group provides appropriate education and awareness-raising to officers and employees to ensure that this policy is well understood and effectively implemented.

[Person in Charge]

The SBS Group will specify an officer responsible for the implementation of this policy and supervise its implementation.

[Dialogue and Consultation with Stakeholders]

The SBS Group will engage in sincere dialogue and consultation with related stakeholders regarding measures to deal with negative impacts on human rights, and endeavor to make improvements.

[Information Disclosure]

The SBS Group will disclose information on the progress and results of initiatives on respect for human rights through its website and reports, and endeavor to gain the understanding of stakeholders.

[Revisions to the Human Rights Policy]

The SBS Group understands that respect for human rights will be increasingly important in the future and that the issues to be addressed will change depending on societal changes, business trends and other factors. Accordingly, the Group will periodically consider the need to review the policy and make revisions as needed.

SBS Group Diversity Policy

[Basic Policies]

The SBS Group regards a workplace in which each employee can utilize their individuality and take on the challenge of creating new value with passion and enthusiasm as ideal, and recognizes its corporate responsibility to build such an environment. Given that employees utilizing their diversity and demonstrating their individual capabilities is a source of new value creation, the Group regards Diversity & Inclusion as one of its key management strategies. The Group has established the SBS Group Diversity Policy and will aim to sustainably increase corporate value.

[Action Plans]

(1) The SBS Group respects the individuality of a diverse range of employees.

- The SBS Group respects employee diversity (in terms of gender, age, disabilities, nationality, academic history, type of employment, values, sexual orientation, gender identity, and so on).
- The SBS Group hires, develops and promotes a diverse range of human resources irrespective of race, religion, nationality, gender, sexual orientation, disability or other attributes.

(2) The SBS Group helps employees let their individuality shine brighter.

- The SBS Group provides employee training to ensure that all employees understand the importance of diversity, and can respect and accept one another’s individuality.
- The SBS Group also supports skill and career development so that employees can demonstrate their abilities and individuality.

(3) The SBS Group endeavors to foster an organizational culture that utilizes the diversity of employees.

- The SBS Group is committed to developing a workplace in which people accept one another’s individuality and differences, respect others as equals, and in which anyone can share their opinions and act with peace of mind.
- The SBS Group promotes the establishment of flexible and diverse working styles so that all employees can enjoy a healthy work-life balance.

SBS Group Declaration on Respect for Human Rights and Elimination of Harassment

All people are born equal with dignity and rights, and no one may harm their character.

Based on this basic philosophy, we deepen our understanding of human rights and act in accordance with a respect for human rights.

To maintain a workplace environment in which everyone can thrive, we will eradicate harassment. To achieve this, we will actively take part in educational and awareness-raising activities, heed compliance information, acquire knowledge and develop the ability to take action.

Whenever we suffer or witness harassment, we will consult with or report it to a consultation service and never leave it undressed.

The SBS Group does not tolerate any form of harassment or discrimination on the basis of differences between people including gender, age, nationality, race, ethnicity, religion, social status, disability, SOGI (sexual orientation or gender identity), values or lifestyle.



Methods Used to Calculate Various Environmental Metrics

\* Based on the applicable reporting scope and target period  
\* Ministry of the Environment database: Emission intensity database for calculating greenhouse gas emissions, etc. by organizations through the supply chain (Ver. 3.4)

■ Scope 1

Calculated by multiplying the usage of fuel, gas, etc. by the relevant emission factors in the Ministry of the Environment’s Greenhouse Gas Emissions Calculating and Reporting Manual (Ver. 5.0) - List of Calculation Methods and Emission Coefficients in the Calculation, Reporting, and Publication System

■ Scope 2

Calculated by multiplying electricity usage by the relevant emission factors announced by the Ministry of the Environment and Ministry of Economy, Trade and Industry in “Emission Factors by Electricity Utility (for Calculation of Greenhouse Gas Emissions by Specific Emitters) FY2022 Results - December 22, 2023” \* The national average emission factor for the corresponding year is used as the emission factor for sites whose supplying electricity utility is unclear.

■ Scope 3

Category 1: Purchased goods and services

Definition	Service purchases in the SBS Group’s main business (logistics) is calculated and limited to the following aggregation scope. <ul style="list-style-type: none"><li>• Consigned forwarding services purchased in the reporting year</li></ul> <small>* Group companies which do not employ consigned forwarding are outside the aggregation scope of this category</small>
Calculation method	Consigned forwarding costs are set as the amount of activity, which is multiplied by the emission factors in the Ministry of the Environment database 5: Input-Output Table to calculate emissions.
Amount of activity	Total amount of consigned forwarding expenses in the reporting year paid by the relevant companies (unit: 100 million yen)
Emission factor	[Row code: 712201] Road cargo transportation (excluding private transportation): 3.93 t -CO <sub>2</sub> equivalent / million yen

Category 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2

Definition	This covers upstream emissions (resource extraction, production and transportation) for fuel purchased by the company in the reporting year, and upstream emissions (resource extraction, production and transportation) in the manufacturing process for electricity and heat (steam, heated water or cold water) the company has purchased.
Calculation method	Energy usage aggregated in the calculation of Scope 1 and Scope 2 emissions is used as the amount of activity and multiplied by the emission factors in the Ministry of the Environment database 5: Input-Output Table and database 7: Electricity and Heat to calculate emissions for each type of energy.
Amount of activity	Energy usage is treated as the amount of activity. a. Electricity (kWh)   b. Municipal gas (thousand m³)   c. Gasoline, diesel and heavy oil A (kl)   d. LP gas (kl) <small>* LP gas conversion factor: 4.192 l/m³ (kl / thousand m³)</small>
Emission factor	Ministry of the Environment database 7: Electricity and Heat is used. a. Electricity 0.0682 (kg-CO <sub>2</sub> equivalent / kWh) uses the quantity-based emission factors from the Ministry of the Environment database 5: Input-Output Table. b. Municipal gas [Column Code: 512101] Municipal gas 0.497 t-CO <sub>2</sub> equivalent / thousand m³ c. Gasoline, diesel, heavy oil A [Column Code: 211101] Petroleum products 0.573 t-CO <sub>2</sub> equivalent / kl d. LP gas [Column Code: 211101] Petroleum products 0.573 t-CO <sub>2</sub> equivalent / kl

Category 5: Waste generated in operation

Definition	This covers emissions related to the disposal and treatment of waste generated from the company’s business activities (excluding valuable materials) outside the company. <ul style="list-style-type: none"><li>• Emissions related to the transportation of waste can arbitrarily be included in Category 5, but will be excluded.</li><li>• General business waste will be excluded. <small>* Valuable materials (items that collection contractors will pay for) are excluded from the category</small></li></ul>
Calculation method	Weight by waste type and disposal method (whether recycled or not) is used as the amount of activity. Each type is multiplied by the emission factor in Ministry of the Environment database 9: Waste [by Type] to calculate emissions. <small>* If it is clear that the waste is being recycled, multiply by the emission factor in 8: Waste [by Type and Disposal Method].</small>
Amount of activity	Weights by waste type and disposal method are used for the amount of activity. a. Waste oil (t)   b. Waste plastic (t)   c. Waste paper (t)   d. Waste wood (t)   e. Waste metal (t)   f. Waste glass (t) g. Sludge (t)   h. Animal and plant residue (t)
Emission factor	Emission factors in Ministry of the Environment database 9: Waste [by Type] are used. <When recycling is uncertain or is not being carried out> a. Waste oil 1.7815 (t-CO <sub>2</sub> equivalent/t)   b. Waste plastic 0.7927 (t-CO <sub>2</sub> equivalent/t)   c. Waste paper 0.1082 (t-CO <sub>2</sub> equivalent/t) d. Waste wood 0.0972 (t-CO <sub>2</sub> equivalent/t)   e. Waste metal 0.0015 (t-CO <sub>2</sub> equivalent/t)   f. Waste glass 0.0117 (t-CO <sub>2</sub> equivalent/t) g. Sludge 0.1722 (t-CO <sub>2</sub> equivalent/t)   h. Animal and plant residue 0.0728 (t-CO <sub>2</sub> equivalent/t)

■ Energy Consumption (Calorific Value)

- Electricity is calculated using energy conversion factors of 8.64 GJ / 1,000 kWh for electricity purchased from electric utilities, and 3.6 GJ / 1,000 kWh for solar power generation
- Calculated by multiplying fuel and gas, etc. by the relevant emission factors in the Ministry of the Environment’s Greenhouse Gas Emissions Calculating and Reporting Manual (Ver. 5.0) - List of Calculation Methods and Emission Coefficients in the Calculation, Reporting, and Publication System

\* Municipal gas is calculated using 45 GJ / 1,000 m³

Corporate Profile and Stock Information

Corporate Profile \* As of July 1, 2025

Company NameSBS Holdings, Inc.	
Representative Director	Masahiko Kamata
Founded	December 16, 1987
Paid-in Capital	3,920 million yen
Net sales	448.145 billion yen (consolidated) * For the year ended December 31, 2024
Location	Sumitomo Fudosan Shinjuku Grand Tower 25F, 8-17-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo, 160-6125, Japan Tel: +81-03-6772-8200 (main switchboard)
Lines of Business	Logistics business, property management business, marketing business, human resources business, etc.
Fiscal Year	January 1 to December 31

Officers <small>* Only directors listed, as of July 1, 2025</small>				Stock Information	
President and Representative Director	Masahiko Kamata	Outside Directors	Jiro Iwasaki	Number of shares authorized	154,705,200 shares
		Outside Directors	Yoshinobu Kosugi	Number of shares issued	39,718,200 shares Including 10,200 fractional shares
Director	Shuichi Hoshi	Outside Directors	Chizu Sekine	Unit stock system	Yes (100 shares)
Director	Masato Taiji	Director (Full-time Audit & Supervisory Committee Member)	Yuya Kawai	Securities code	2384
Director	Yasuhito Tanaka	Outside Director (Audit & Supervisory Committee Member)	Sachie Tsuji	Listed exchange	Tokyo Stock Exchange Prime Market
Director	Natsuki Gomi				
Director	Katsuhisa Wakamatsu	Outside Director (Audit & Supervisory Committee Member)	Eiichiro Washio		

Major Shareholders <small>* As of December 31, 2024</small>		
Shareholder Name	Number of Shares Held	Shareholding Ratio
Kamata Kikaku Co., Ltd.	19,888,400	50.07%
The Master Trust Bank of Japan, Ltd. (trust account)	2,167,400	5.45%
Custody Bank of Japan, Ltd. (trust account)	2,112,200	5.31%
SBS Holdings Employee Share Ownership Association	1,238,300	3.11%
Masaru Wasami	1,078,600	2.71%
TOBU Properties Co., Ltd.	1,001,000	2.52%
Junichi Ouchi	601,400	1.51%
HSBC BANK PLCA/CM AND G(ACS) VALUE PARTNERS CHINA EQUITY FUND	419,900	1.05%
Bansei Research Institute Co., Ltd.	410,000	1.03%
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	303,400	0.76%

\* The ratio of shares held against the number of shares issued is truncated after the third decimal place.

Distribution of Shares by Shareholder Type (number of shares issued: 39,718,200 shares)

